

# ***Revolutionary Perspectives 29***

***“Liberated” Iraqi Workers...***



***...have only the occupation and  
exploitation to “celebrate”***

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**Occupation of Iraq • Firefighters • Middle Eastern Road Map  
Consciousness and the Bordigism • Pensions  
Class Composition • The Euro**



# *Revolutionary Perspectives*

*Quarterly Magazine of the Communist Workers' Organisation  
British Affiliate of the International Bureau for the Revolutionary Party*

Series 3, No. 29, Summer 2003

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For correspondence write to:

**CWO**

**P.O. Box 338**

**Sheffield S3 9YX, UK;**

email: **cwo@ibrp.org**

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## Editorial

# Imperialism and Workers' Labour Power

## Iraq – imperialism's crucible

After its victory in Iraq, the US moved swiftly to legitimise its occupation through a new resolution in the UN. After achieving this, it postponed moves towards an interim Iraqi administration and decided to proceed via its own Authority together with nominated Iraqi advisers. Similarly it has decided to get its nominees to draft a new constitution. On the economic front, it has indicated that it intends to privatise the economy – a step which would undoubtedly see the major part of the economy, particularly the oil, passing into US ownership. These items are discussed in more detail in "Iraq – Occupation and Exploitation" in this edition. The arrogance with which the US has moved towards its objectives has stirred predictable resentment in the Middle East, and, of course, amongst its rivals who remain hopeful of gaining from US mistakes.

An indication of this resentment and possible gains for the European Union can be seen in two developments. Firstly the US military has left Saudi Arabia. What precisely is behind this is not clear but it appears that the Saudis kicked them out. Of course, in the longer run the US will establish alternative bases in Iraq, but in the short term the loss of the Saudi bases is a serious blow. Secondly, Egypt, which, since the Camp David agreement of 1979 has been a faithful US client, has refused to back the US in its World Trade Organisation case against the EU over its refusal to accept genetically modified crops. Egypt was an essential pillar of the case because of its status as a developing nation. Egypt, however, stated that since 40% of its trade was with the EU it did not wish to offend the EU. Both these items indicate that the US has not achieved its goals in Iraq without a cost, and, as we predicted, the EU is waiting to gain from these mistakes.

A further consequence of the US unilateralism in the war is its difficulty in gaining allies to help police Iraq. Despite having 150 000 US and 11 000 British troops in the country the

coalition has failed to bring about peace. The continual casualties suffered by US and British troops have wiped the smiles off the faces of Bush and Blair, and both leaders have been trying to mobilise other nations to send troops. Apparently they are looking for three additional divisions or approximately 45 000 soldiers! This is an admission of difficulty and incompetent planning. According to Rumsfeld, 70 countries have been asked and 24 have indicated that they might send troops. However, the unilateral way the war was started against the wishes of the UN and the subsequent exclusion of the UN from the peace makes the task of gathering these troops difficult. It is significant, however, that the US is now internationalising this conflict and forcing its clients and allies to take its side by sending troops. This is establishing the basis for sharper international divisions between US imperialism and its rivals.

## Workers' labour power

Within Europe the attacks on the working class have continued. The European capitalist class has turned its attention to attacking the social wage of workers as well as creating greater labour "flexibility". This has been expressed in the attack on pensions in France, Belgium and Austria, see "Pensions and social benefits under attack" in this issue, while in Germany the attack is on health care. The extension of working hours is likely to be the next target. A significant strike, organised by the union IG Metall, in Eastern Germany seeking a reduction in the working week was defeated after a struggle of a month. The chancellor, Schroeder, celebrated the defeat and said it indicated the need for greater flexibility in labour relations. Although there are now 5 million unemployed in Germany the government, as everywhere else, wants to see longer working hours. It is calculated that growth in the US is 1.5 times that of Europe, not because of higher productivity of labour, which is more or less equal, but because US workers

work, on average, 20% longer hours and the employment ratio is higher. The European capitalist class are trying to make good this difference by a fresh assault on the working class throughout Europe by cutting the hidden section of wages, negotiating wages outside of national agreements, introducing flexibility of labour and extending the working week. The defensive struggles we are now witnessing are a reaction to this. We welcome these struggles but, for them to have any chance of success, as the text from our French comrades shows, they must break out of the trade union prison, draw in more workers and become an attack on capitalism itself.

These attacks prove, once again, that it is labour power alone which is the real source of capitalist profit. All the ridiculous talk about profits without labour and the miracle economy of technology, which we heard so much of during the internet boom at the turn of the century has proved to be complete nonsense. All of this illustrates the correctness of Marx's analysis of political economy which the bourgeoisie have been trying to disprove for over a century. Time and again the capitalist class returns to its fundamental problem of how to squeeze more surplus labour out of the workers. Either it is by increasing the rate of exploitation by increased productivity, or as we are seeing today, actually reducing wages, namely the social wage and extending the length of time labour is exploited. Either way, it is the working class which suffers. It is, however, the working class who hold up the whole capitalist system through their labour. It is high time that we moved the defensive struggles of our wretched conditions within the capitalist system, to offensive struggles aimed at overthrowing the whole of this rotten system and building a communist world where production would be for need and imperialism would not exist.



# Iraq – Occupation and Exploitation

It is now over two months since the US announced it had won the Iraq war yet it has still failed to establish peace. This clearly represents a significant failure of US imperialism which it has itself recognised by commissioning an independent review of its post-war operations. The short-term significance of the resistance the occupiers are facing, is not yet clear. It does appear likely that the US will succeed in establishing peace and control in the longer term, and will avoid the break-up of the country. The only development which could prevent this would be for one of its imperialist rivals to back the Iraqi resistance forces with money and arms. At present, this is unlikely to occur. However, the cost in lives of coalition soldiers and money will be far higher than the generals of US imperialism had calculated.

## Losing the peace

As we predicted in RP28, the US was planning for the decapitation of the regime and the replacement of its top echelons with US placemen. However, the identification of the regime with the state meant that the collapse of the regime brought about the collapse of most of the structures of the state. With the collapse of these structures there was a collapse of civil society. The US is now faced with the task of rebuilding state structures of administration and repression, a task for which it had no plans. This failure of planning can now be seen throughout the country.

The massive damage which the coalition bombing inflicted on the country's infrastructure was made worse by an orgy of looting which followed the war and which the heroes of the coalition did not bother to prevent.<sup>1</sup> Tens of millions of Iraqis still remain without water, electricity, fuel and cooking oil, let alone medical care. In the Shia heartlands, organisations

based on the mosque have filled the vacuum left by the collapse of the state. Armed Shia militias are maintaining order in these areas and themselves restoring services and looted property. The US failure to re-establish law and order and basic services has already led to massive demonstrations against US occupation. The savagery of US

including the Kurdish region. The US is taking these attacks seriously enough to launch massive raids north and south of Baghdad in which large numbers of Iraqis were killed and hundreds arrested. These raids illustrate, once again, the US reliance on force to solve all problems. Through this the US is creating new enemies in both the Sunni

and Shia sections of the country. The Shia political forces, who are already extremely suspicious of US intentions because of the indefinite postponement of representative government and the US proposal to produce a new constitution drafted by its nominees, could in the longer term pose a more serious threat to the US than it faces from the forces resisting it today.



*The killing goes on: funeral of protestors killed by the US Army in Falluja.*

marines, who have, with a careless lack of concern, shot those demonstrating against them as well as wedding guests or innocent motorists, is generating a backlash, which sees the US as no better than Saddam. A low-level war of attrition has already begun and is producing a slow but steady death toll of UK and US soldiers. The US claims that these attacks are being carried out by remnants of the Ba'ath party together with former soldiers of the disbanded army. This is clearly untrue in the case of the killing of six British soldiers near the town of Amara. Here, an infuriated mob of protesters stormed the police station and killed the soldiers. These were people who had themselves overthrown Ba'ath rule in the final days of the war and cannot possibly be described as Saddam loyalists. This event indicates a rising general discontent which exists in all the three main regions of the country,

The failures of the US administration in Baghdad have led to the replacement of the top personnel; General Garner was replaced by Bremer, and secondment of British figures to assist it. The administration has, however, now begun rebuilding the structures of the bourgeois state. A new police force is being recruited and trained, and some 1.4 million civil service workers have actually been paid with the funds it has seized from the central bank. The old state structures are being destroyed. The existing Iraqi army has been disbanded, and the Ba'ath party banned.<sup>2</sup> The process of reconstruction was never planned and the slow pace at which it is proceeding risks alienating masses of the population. A senior British official attached to the Baghdad authority described it as

*chaotic, incompetent and suffering from a complete absence of direction.*<sup>3</sup>



## US imperialism's international successes

While the US may be experiencing difficulties in Iraq itself, within the wider international arena it has been much more successful. The UN Security Council has backed the US/UK resolution, 1483, virtually legitimising the war after the event. This was a triumph for the US, considering that the war was launched with the majority of the Security Council opposing it and that four of the major powers on the council still regard the war as illegal. The resolution leaves the US and UK in sole control of the country, as occupying powers, and gives them control of the economy, most significantly its oil and foreign reserves, blocked accounts, UN accounts, etc. The UN, despite the assurances of Blair, is relegated to a purely advisory role with no powers whatsoever. Within the Middle East this has been accepted with sullen resignation. The predicted upheavals in the US client states have not occurred and the famous Palestinian/Israeli road map has been launched.

## Reasons for the war

In the period since the end of the war the reasons given for the war by the leaders of US and British imperialism have, as we predicted in RP 27<sup>4</sup>, all proved to be lies.

- *The famous weapons of mass destruction:* to date not a single weapon of mass destruction has been found. Even if something is found in the future, the claim that they were a threat to the US and UK or even Iraq's neighbours would be totally false. A lot of the so-called evidence is now openly admitted to have been forged, a fact known to Powell and Straw when it was presented at the UN as irrefutable proof.
- *The famous Iraqi link to Al Qa'eda:* not a shred of evidence has been found to back this up and we hear nothing about this today though it was trumpeted so loudly before the war.
- *Iraqi failure to uphold international law and obey UN resolutions:* by going to war against the majority of the Security Council the US has trampled international law under foot and undermined the authority of the UN in a far more effective way than Saddam could ever have dreamed of. None of the

last four wars the US has launched could possibly be described as legal. As we pointed out in previous texts the UN and international law will only be invoked by the leaders of US imperialism when they support US imperialist aims. Where they do not they will be violated.

- *Bringing democracy to the Iraqis:* although this was not a primary aim it was still trumpeted from the rooftops by Bush and Blair. We were told that their troops would bring democracy to Iraq first and later to the whole Middle East. Since UN resolution 1483 was passed we have been told that the national conference of all Iraqi opposition parties scheduled for July has been postponed indefinitely. Instead, the Coalition will establish its provisional Authority (the CPA) whose members and Iraqi advisers are to be appointed by the US. The moves towards democracy have thus been indefinitely postponed. It is not hard to understand why. At present a democratic election would bring the political forces of Shia Islam to power, which could lead to a theocratic state linked to Iran. The US is not, of course, prepared to tolerate this and will block all moves towards democracy until the emergence of political forces which it is confident it can control. The US is not therefore serious about democracy. It is serious about control. This reason given for the war is similarly a ridiculous lie.

Although the coalition forces have found no weapons of mass destruction they have found plenty of oil wells and it didn't need the CIA or MI5 to tell them where to look. Strangely enough, these wells and the oil ministry buildings were all well protected during the anarchy which followed the war, and in the negotiations on the UN resolution, which legitimised the war, the US insisted on retaining control of Iraq's oil sector. Of course these are not chance events and point to the real motives for the war, which can be summed up in the word oil. As we have argued in RP 27 and RP 28 the US hopes to achieve the following broad aims:

- To secure long term oil supplies for itself;
- To control the price of oil;

- To control the supply routes for oil;
- To ensure that oil remains traded in US dollars;
- To control the supply and price of oil that goes to its economic rivals;
- To secure a strategic base from which to project its power in the Middle East.

In the longer strategy of US imperialism, this war has been a step in the project to control all the major oil supplies of the Middle East and the Caspian basin. The next key country which is likely to be attacked is Iran, and the occupation of both Afghanistan and Iraq are steps towards the conversion of Iran into a US client.

The ultimate aim of the US in these moves is, however, the confrontation of its imperialist rivals, the Europeans, Russians, Japanese and Chinese. By seizing the oil-producing regions and oil transport routes, the US aims to control the supply and price of oil going to these rivals. By ensuring that the dollar remains the currency of the oil trade, the US is ensuring that it remains the world reserve currency and that the enormous unearned income, which arises from this status, continues to flow into the coffers of the US treasury.

## Exploiting Iraq

The Iraqi economy, which the US has inherited, is in a dire state. It has a national debt of \$127bn on which it has not made any payments for a decade, but its total financial liabilities are estimated to be \$383bn.<sup>5</sup> This figure includes war reparations which the US enforced after the Gulf war. These reparation payments have been administered by the UN under the oil for food programme and in the past decade the enormous amount claimed, \$320bn, has been reduced to the \$199bn still owed.<sup>6</sup> The Iraqi GDP is currently estimated to be \$28bn of which the UN controls \$16bn under the oil for food programme. It is estimated that the reconstruction of Iraq will require approximately \$100bn, making it the largest project since the Marshall plan. From these figures it can be seen that Iraq is insolvent unless these debts can be written off and it certainly cannot pay for the US occupation and reconstruction of its ravaged economy.

UN resolution 1483 also gives the US and UK access to all Iraq's financial assets frozen since the Gulf war and,



of course, all the funds in the state bank. Even before the resolution was passed, the US started seizing Iraqi assets frozen since 1990. \$1.5bn was confiscated in March. Rumsfeld announced it would be used to fund reconstruction, which, no doubt, means contracts awarded to US companies by USAID. This is the first time such a seizure of foreign-owned assets has been carried out since World War 2 and is another indication of the new aggressiveness of US imperialism. The total quantity of funds, which will be available to the occupying powers, is not yet known but estimated to be between \$10bn and \$20bn. Although these funds and the Iraqi economy appear insignificant in relation to the obligations of Iraq, the US position is stronger than it first appears. The control of Iraq's economy gives it great leverage over its rivals. To reduce Iraq's enormous debts the US is calling for debt forgiveness and war reparations to be waived. Cancellation of a country's debts after invasion is not without precedent since the US cancelled Cuba's debts to Spain after it invaded the island in 1898. They described this debt as "odious debt" since the regime had incurred it rather than the people. Voices from Washington are now calling for a committee to determine which part of

the Iraqi debt is "legitimate" and which is not. The illegitimate debt which would cover arms purchases and financing internal repression, i.e. most of it, would be written off.<sup>7</sup> The US would, however, like to persuade the debtors to agree so as not to set a precedent which could be applied to the debts it is owed itself in Central and South America and elsewhere. Although the Kuwaitis could probably be persuaded to give up the remainder of their war reparations and possibly part of their debt, the European and Russian creditors will never agree to this. The largest non-Middle Eastern holders of debt are Russia, France and Germany – precisely the nations who opposed the war. They correctly see this demand as an attempt by the US to strengthen its position in Iraq at their expense. The US is, however, able to put pressure on them in other ways. For example, in May it was announced by the Iraqi oil ministry, which is now headed by an American who was a former chief executive of Shell, that some contracts signed by Russian and Chinese companies would be terminated. At the same time the US viceroy, Bremer, announced an economic reform plan, which would take the country to what he called a "liberal market economy".<sup>8</sup> This means that the US intends to privatise the economy. If the oil industry, which has been nationalised since 1972, were sold off this would provide the US and UK oil companies with the opportunities they have been waiting for. The US has already indicated, through its adviser Richard Perle, that US and UK capitalists, together with those of other hangers-on, such as Australia and Poland, would be given preferential treatment in granting of contracts in Iraq.

The Washington based US/Iraq business council has calculated that if war reparations could be ended and the debt reduced by forgiveness, and oil production increased to 3mbd then \$20bn would be available to the coalition in its first year alone, and at least \$9bn of this would be available for reconstruction. The US is thus able to find ways to finance the occupation while getting its

hands on Iraqi oil itself and the surplus which its sale brings in. There can be little doubt that the US sees Iraq a milch cow that it intends to milk for long as possible.

The way the reconstruction contracts have been handled provided an indication of what is to come. Massive reconstruction contracts have been awarded by the US agency for international development (USAID). These have all gone to US companies well connected to the Bush cabal. Only US companies were allowed to bid under USAID rules prompting complaints from British companies.<sup>9</sup> US companies such as Bechtel, Haliburton and Fluor have all been awarded enormous contracts for Iraqi reconstruction. Bechtel's contract alone was worth \$680 million. The leading figures in these companies such as George Schultz, Caspar Weinberger, Cheney, and George Bush all move effortlessly from top posts in these companies to positions in the Pentagon, the State Department or even the White House amassing enormous wealth. The truth of the Marx's understanding, first expressed in the *Communist Manifesto*, that,

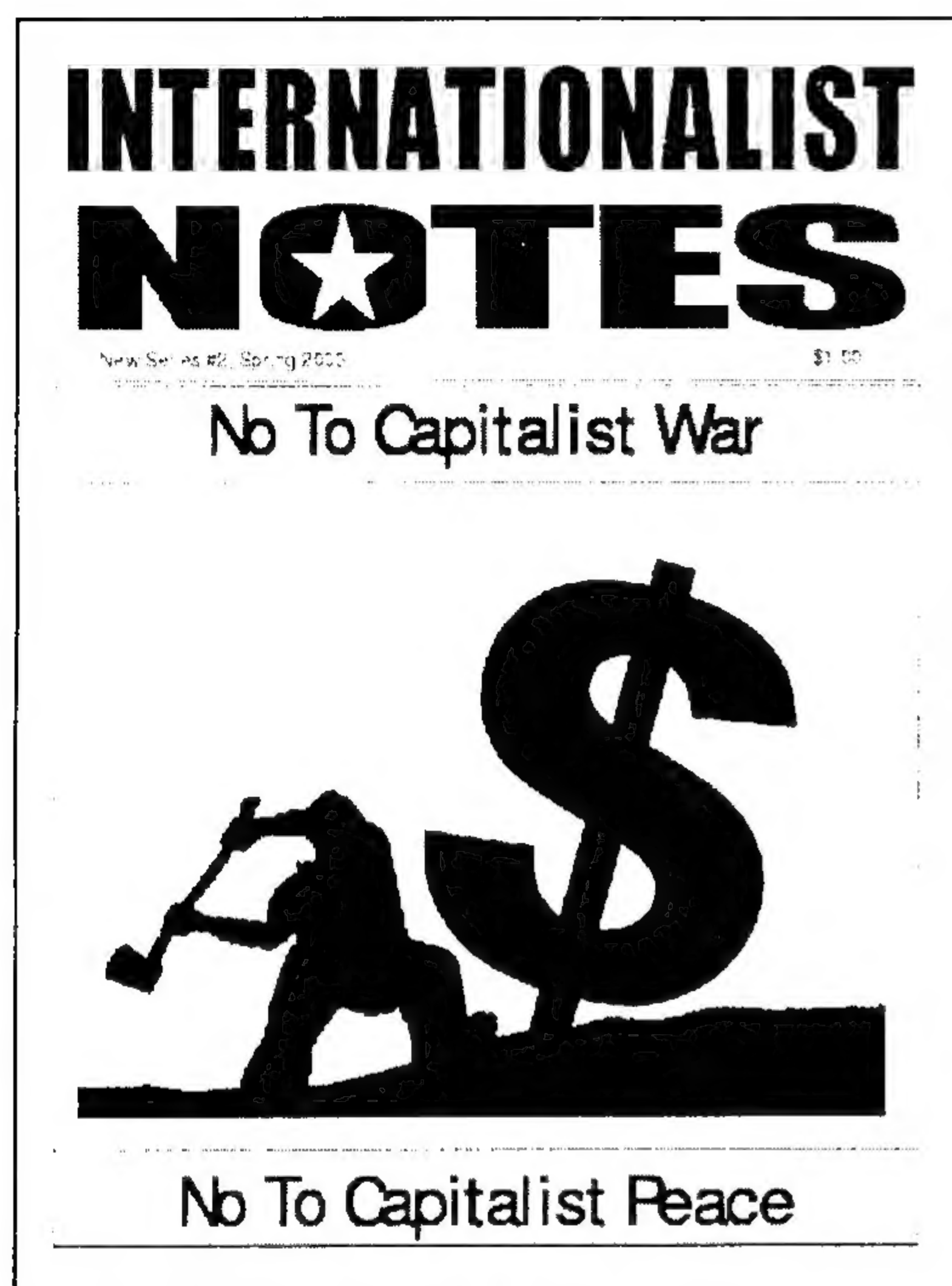
*the executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie.*

is well illustrated in all this. Policies are made and wars are fought to bring greater profits, together with the domination which keeps these profits flowing, to the capitalist class. It also needs to be stated loud and clear that while the US capitalist class enriches itself through its imperialist wars, which seize the wealth of the Middle East, and elsewhere, it is the blood of the US and Iraqi working class, which is flowing into the sands of Iraq to bring this about.

The US rivals will be excluded from the spoils of Iraq, this, together with the cancelling of contracts already signed, represent further grievances to be thrown into the cauldron of imperialist confrontation which has been stirred up by the Iraq war.

### Heightened imperialist tensions

As we predicted the US war on Iraq has driven a wedge between the US and Europe. By carrying out this invasion, the US has demonstrated its intention to change regimes and intervene unilaterally in the Middle East in the



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**R.S., PO Box 173, Station "C",  
Montreal, Canada, H2I 4K1**

Comments and donations welcome. [For e-mail see inside cover.]



same way as it has done in Central and Southern America for over a century. This is a clear threat to the European powers who cannot accept it. Despite the support for the latest UN resolution on Iraq and the superficial attempts to kiss and make up, it is clear that an historical milestone has been passed. Even bourgeois commentators now recognise that the glue, which held the Atlantic alliance together, has lost its sticking power, and its structures, such as NATO, are in the twilight of their day. Both the US and Europe are planning for the new situation.

For its part, the US has set itself the aim of weakening the central countries of the EU, France and Germany, and preventing the emergence of a unified European state. This is a complete reversal of the US policy followed during the period of the cold war. The US is moving its troops from Germany to the eastern periphery of NATO, what the US now calls "new Europe", namely, Bulgaria, Romania, Hungary and Poland. It is also cultivating certain new EU members, such as Poland, as particular US allies in a plan to have allies and bases around the core countries of the EU. The position of Britain as the main US ally in Europe is being exploited to the full. Since the split caused by British support for the Iraq invasion, Britain's decision not to join the euro is the most significant example of this. The decision represents a setback for the euro, prevents the trading of North Sea Oil in euros and is temporary victory for the US. The US is planning for a post-NATO situation and getting itself in a position where it can use its military power against its European rivals if necessary.

For their part, the Europeans have continued with their project of producing a more coherent and centralised political union, which will be able to avoid the division and weakness shown during the Iraq war. The draft constitution, which is at present under discussion, is a move in this direction, so are the military preparations, which the core countries are carrying out independent of NATO. France and Germany have, to the fury of the US, established a joint military head quarters, which will operate separately from NATO, and the European Rapid Reaction Force is to be strengthened with additional forces from Belgium. European military procurements such as the Airbus military transport aircraft and the Euro-

fighter combat aircraft, which were in doubt before the war, are now going ahead. All these things, which are precisely what the US wished to prevent, have shown the Europeans are attempting to unite, rearm and defend themselves against the US.

### **Causes of conflict between the EU and US**

The political superstructure of society is built on and determined by the economic infrastructure. This economic infrastructure is where the real conflicts, which manifest themselves in the political superstructure, are to be found. The cause of the conflict between the US and the EU lies in the economic structure of society. More precisely, it is rooted in the nature of the capitalist system of production itself. It is this system that leads to constant competition between capitals, a competition which appears in a more violent form in the competition between states or groups of states. As the rate of profit on capital declines, as it has tended to do since the end of the reconstruction period following World War II, this struggle sharpens. The trade disputes, which rage across the Atlantic, give an indication of this conflict at the level of trade. At present, for example, the EU has won a case in the World Trade Organisation against the US for US subsidies of exports. It is demanding that the US abolish these subsidies by the end of September or it will impose \$4bn of tariffs annually. The US, in its turn, is demanding the EU accept genetically modified crops. These disputes illustrate how the state, or the proto-state in the case for the EU, fights for the overall interests of the capitalists in its area. These disputes are, however, an indication of a more general struggle, the struggle to get hold of surplus value produced by workers all over the world. This struggle manifests itself in imperialism and leads to conflicts over such things as sources of raw materials, sources of labour power to exploit, trade routes, strategic positions from which to protect these things or attack rivals, and clients who can guarantee any of these things. At present, this competition has manifested itself in disagreements over the Iraq war because the US aims in the war stated above are a direct threat to the economic interests of its rivals. The disputes such as that over Iraq are disputes which have a material basis in the economies of the societies facing each other. They cannot be wished

away by an effort of will or by the bourgeoisie changing its leaders.

The US position as the major imperialist power is a contradictory one containing weaknesses which, in the longer term, will make it vulnerable to attack by its rivals. The US is today maintaining its economic privileges by military power because these privileges could not be maintained by economic power alone. Its protection of the international role of the dollar through war in Iraq is an example of this. However, military power in capitalist society is ultimately, as Marx pointed out, an expression of economic power, and the dominant economic power should be the dominant military power. Economic dominance has since the start of the era of imperialism led to the export of capital. Lenin characterised the era of imperialism as one in which the imperialist powers export capital rather than manufactured goods<sup>10</sup>. In the four decades before World War I, when the British Empire was at its height, Britain exported capital at a rate of approximately 5% of its GDP annually. Similarly, the US itself was a net exporter of capital in the period from World War II to the mid-'70's. After this, there was a reversal of capital flows and since the '80's, the US has become a net importer of capital, running trade and budget deficits. Today the trade deficit is approximately 5% of GDP or \$500 million and this is funded by borrowing. The national debt stands at approximately 65% of the GDP or \$6.3 trillion and it is calculated that foreign investors now have claims of \$8 trillion on US financial assets. As we have pointed out in other publications,<sup>11</sup> the US's position is greatly eased by its parasitic income from the dollar in its role as a fiat currency for global trade. However, this does not alter the fact that US military might is, in part, based on capital taken from its rivals, and this is a situation which cannot persist indefinitely when this power is being used against those who fund it. On the contrary, as profitability on capital declines, further wars will become necessary for US imperialism to maintain its position and we can expect to see withdrawal of capital from the US leading to further weakening of the dollar and further challenges to the role of the dollar as the currency of world trade. Ultimately, these conflicts are leading down a road to a new world conflagration. The only force that can



prevent this occurring is the international working class.

### Working class resistance to the Iraq war

The working class, as an independent political force, was not engaged in resistance to this war. Although individual workers joined the pacifists' resistance movements, such as the "Stop the War Coalition" in Britain, and although there were individual acts of resistance such as train drivers refusing to transport war material, the majority of the working class remained neutral, both in the run up to the war and during the fighting. There was no realisation that working class interests were at stake and no movement to disrupt the plans of the ruling class. The only significant class struggle going on in Britain, the firefighters' strike, was suspended during the war in the cause of patriotism by the trade union leadership.<sup>12</sup> The working class is still suffering from the defeats of the '80's and from its reorganisation and re-division on a worldwide scale<sup>13</sup>, and remains dominated by the ideology of the bourgeoisie. Before the working class can consolidate its forces, a new period of class struggle needs to open up which can once again raise its consciousness of itself as an independent social force, a class in itself, and which can strengthen the political forces of the class.

It is clear, as we have said above, the world is now embarked on a road leading to war. Now that the war in Iraq is largely over a new war against Iran is being prepared, after this it may be North Korea and then somewhere else. The future will bring a succession of wars, which will raise the level of imperialist tension and accelerate the drive towards world war. At present, the working class is unable to oppose this drive towards war. The only way this drive towards war can be halted is to resume the class struggle and to refuse to make any sacrifices for these wars.

The Iraqi working class now have new masters in Washington and London who are preparing to continue their exploitation just as viciously as Saddam did. The only difference is that the surplus they produce will now be distributed amongst the US and British capitalist class. Iraqi workers remain the class brothers of the metropolitan workers and we should assist them in struggling against their new masters.

We should refuse all sacrifices for the occupation and call for its end.

- Resume the class struggle
- No sacrifices for the occupation
- Solidarity with the Iraqi working class
- No war but the class war

**Workers have no country!**

**CP**

### Notes

1 While the archaeological treasures of Mesopotamia were being looted, the philistines who control US capitalism instructed their troops to protect the oil wells, the oil ministry buildings and the state bank. This is another indication of the real purpose of the war.

2 While the US professes its mission is to bring democracy to Iraq it wants to control who participates and who does not.

3 Quoted in *The Independent*, 17<sup>th</sup> June 2003. Major General Viggers, also seconded to the US in Baghdad, stated that the US operation was following in the footsteps of the Balkan wars where British troops remain after 11 years.

4 See RP 27 "Countdown to war with Iraq"

5 Quoted in *The Financial Times* 28<sup>th</sup> March 2003.

6 The enormous amount of reparations paid, which average \$10bn annually, give an indication of where the bourgeoisie's priorities lie. Payments to Kuwait and the US, two of the richest countries on earth have been made while Iraqi children starve to death and die because of lack of medicines.

7 See David Mulford, former undersecretary at US Treasury, writing in *The Financial Times* 23<sup>rd</sup> June 2003. The utter hypocrisy of this proposal is breathtaking since it could equally well apply to most of US debt to Central and South America – something the US would never countenance. It is ironic that by invading a large debtor country the US suddenly finds itself on the other side of the fence in the battle over debt relief.

8 See "Economic reform plan will push Iraq towards sell offs" *The Financial Times* 27<sup>th</sup> May 2003

9 British MP's were outraged at this and asked why our soldiers had died out there if we were not going to get a

share of the contracts. See *The Financial Times* 19<sup>th</sup> April 2003.

10 See Lenin's *Imperialism, the Highest Stage of Capitalism*, Chap 4.

11 See RP 28 "War and Imperialist Occupation" and *Internationalist Communist* 18 "Control over the oil market in the epoch where finance capital dominates."

12 See "Fire-fighters strike – post mortem" in this edition

13 See "On Class Composition and Recomposition in the Globalisation of Capital", part 1 in RP28 and part 2 in this edition.



## Galloway "Bogus Anti-Imperialism" Testimonial:

# Luxembourg 5 — Middle Eastern Nationalists 0

A meeting called by the Sheffield Stop the War Coalition on 2<sup>nd</sup> July provided a glaring example of how the left is dragging its supporters behind a "bogus anti-imperialism" (BAI) whose sole outcome is to enrol cheerleaders for one national bourgeoisie against another.

The theme of the meeting was to "defend George Galloway". The idea of defending a Labour M.P. against other factions of the bourgeoisie was of course "taken as read" by the organisers and their supporters. The platform comprised the standard Stop the War "popular front" with a representative of a local group of Iraqis who had organised themselves on those lines specifically without any political, let alone class, differentiation. There was also a spokesperson for Palestinian nationalism and a leftist representative to extol the benefits of the new social movement-style "anti-capitalism" – an anti-capitalism devoid of the central concept of class struggle or arguments for a genuine alternative system; communism.

It was Galloway himself whose bombastic demagoguery most completely summarised the dead-end of the Coalition's BAI. The meeting's chair had already made reference to Karl Liebknecht's voting against war credits in the German Reichstag after the onset of the First World War immediately before Galloway spoke. To show that he could also misappropriate the actions of heroic revolutionaries, the Honourable Member quoted Rosa Luxembourg to the effect that humanity was confronted with the historic choice, "Socialism or Barbarism".

Galloway proceeded, at length, to expose the differences between the Coalition's BAI and the commitment to internationalist class struggle espoused by Liebknecht, Luxembourg and their heirs. In contrast to the revolutionary principles of class struggle by the world's workers against all bourgeois factions, Galloway was

absolutely explicit that BAI is all about support for bourgeois elements, particularly state regimes in the Middle East and those supporting greater European integration. That alliance of "progressive" forces was Galloway's interpretation of the Socialist force to oppose Barbarism. Barbarism is for Galloway, and the mish-mash followers of BAI, not the whole global imperialist system but is embodied in a tiny subset. The only identified current representatives of that barbarism were, for Galloway, the Bush faction in the US, the Blair faction in the UK and of course the *Christian Science Monitor* which had defamed Galloway's pristine reputation.

Galloway's conscious commitment to a method which justified historic participation in imperialist conflicts was without doubt. Summoning up the basest instincts of British nationalism he pointed out how "we" would have militarily resisted oppression by the foreign German capitalists in the 1940's. To make sure there was no misunderstanding he went on to praise the French, Italian and Yugoslav irregulars who had fought on the Allied side in the Second World War.

Starting from the premises of BAI, it was not surprising that Galloway's recipes for Iraq or elsewhere had no place for working-class resistance to all national bourgeoisies but were instead totally concerned with opposing "foreign" elements of military or socio-economic control. This led him to openly declare his support for the Iranian state should military conflict arise and also chimed in with the BAI slogan to "End the Occupation" of Iraq.

It needs to be understood very clearly that the politics of BAI is not a halfway house towards class consciousness. On the contrary, it is a conscious effort to draw new generations of radicals into a well-worn political tradition of taking sides in inter-bourgeois conflicts. Such radicalisation is a direct negation of anything reflecting working-class

independence and its need to develop its own consciousness and organisations. That negation is at the heart of the world-view of Galloway and the leaders of the anti-war and similar Coalitions.

The completeness of Galloway's reactionary position was finally outlined when he called for a switch in foreign policy for the British ruling-class. Instead of being the "51<sup>st</sup> state" they needed to take their place in the emerging European alliance, presented by Galloway as being French-led, unsurprising as he had just been appealing to cesspit British anti-Germanism.

Galloway certainly "came to bury Luxembourg's politics, not to praise it". His whole method is to show "anti-imperialism" as being about choosing sides amongst the available bourgeois options. In the true spirit of Luxembourg and the revolutionary tradition we raise the banner of proletarian internationalism against all aspects of imperialism.



# The Road Map — Yet Another Peace Plan for the Middle East

On April 30th yet another peace plan for the Middle East came into being. Officially known as the *Road Map*, the points are as always: 1) an end to terrorism and strict control by the new government of Abu Mazen; 2) withdrawal of Israeli troops from the occupied territories; 3) dismantling of the most recent settlements; 4) the resolution of open questions such as the future status of earlier settlements and the city of Jerusalem; 5) creation of a Palestinian state by 2005. Decreed by the USA, it has been countersigned by the EU, Russia and the UN. All has gone according to the script apart from two variables, one being the war in Iraq and the devastating consequences for the whole area; the other being the blackmail/alliance relationship between the USA and the state of Israel.

One of the peculiarities of American imperialism in this post-USSR period is that, having created a war in order to resolve its own economic, financial and strategic problems it has created the conditions for other wars and laid the basis for the international disorder it wanted to avoid. Not that this was an inevitable or calculated consequence. On the contrary, what should have been achieved was peace — peace for the US — with the content determined by the US so that its interests were safeguarded. Yet despite the demonstration of US power and determination things are going

in the opposite direction. On the international level this latest arrogant and illegitimate military intervention — even in terms of the international norms they pretend to adopt — with its crude and criminal manner of execution, is accelerating the birth of the European armed force which will be the response of old world imperialism. At the local level, the war in Iraq is uncovering a myriad of conflicting situations which threaten to bring long term instability to the area. Turkey has already moved to defend its oil and strategic interests in the north of Iraq. Saudi Arabia has closed American military bases on its soil and is proposing a religious alternative to the American military presence in the Gulf. At a recent meeting the six countries bordering Iraq reaffirmed their non-acceptance of the American military presence in Iraq and demanded a re-launch of the UN charter for economic reconstruction and democracy in the country. Inside Iraq opposition to the American invasion is day by day assuming the character of outright resistance. The Sunni

population in the centre and the Shi'ites of the south have already staged protest demonstrations. In the south, where the minority of Shi'ite collaborators are vigorously opposed by the rest of the population, there are almost daily protests.

In this situation, to which should be added the anger over the loss of life, the hunger, poverty and desperation felt by the majority of the Iraqi population at the prospect of an anxious and uncertain future, the American government is replaying the Palestinian card in an attempt to mollify the Arab masses and not have them completely against it. It wants to defuse this hub of tension which always threatens to undermine the strategic and oil agreements American imperialism now creates, then changes, renews or cancels according to its self-interest. However, every time it turns its hand to the question the terms of the problem are changed in line with the needs of Israel, its principal ally in the Middle East.

The Washington accords, which had already reduced the nationalist ambitions of the Palestinian bourgeoisie by 50%, now seem a distant memory. The new game is played on more tables but with an enormously reduced pot, whether it's for Palestinian, Syrian, or any other adjacent



*Palestinians caught in traffic after Israeli troops blocked the main road of Deir el Balah*



Arab country, Iraq included.

### Adding water to troubled oil?

The whole thing started up again after an improvised declaration by Sharon the day after the taking of Baghdad where he said that the Israeli government was prepared to withdraw from the occupied territories, and that it was willing to re-enter negotiations on Palestinian autonomy, although subject to a series of conditions. Thus the new peace plan should provide for the reopening of the Iraqi oil pipeline which used to carry oil from Mosul to Haifa and which was closed with the birth of the Israeli state in '48. Sharon wants at all costs to safeguard Israel's own extremely vital energy interests, calling—in the name of his alliance with the USA in the war against Iraq—on the new government of Chalaby and Garner<sup>1</sup> to pose the question of its reopening. And, against the promise to withdraw from the occupied territories and to recommence talks with the Palestinians, came the counter demand—again via the US—for the non-restitution of the Golan Heights to Syria. At stake is the exploitation of white gold, in other words the water flowing into the River Jordan which forms the water basin of Lake Tiberius. For Israel and its agricultural economy water is perhaps even more important than oil and no doubt demands on both fronts have been put forward. Meanwhile the conditions of the proposed agreement are no less severe. Withdrawal of settlements from the occupied territories would only apply to 12 out of 70. Considering that these settlements have been set up in the area of the Palestinian Authority after the Washington accords which were supposed to provide for the opposite—the progressive dismantling of already-existing settlements—which triggered off the outrage of the second *intifada*, this proposal sounds as if it's taking the piss.

### The West Bank

Last, but not least, is the question of the West Bank. Again, according to the Washington accords, over the course of five years, the Palestinian Authority should have gained possession, first of the Gaza strip and the city of Jericho, then Hebron and finally the whole of the West Bank with only the question of the city of Jerusalem left open. The present state of things is that the Palestinian Authority has only 21% of the territories. Meanwhile, dozens of

new settlements have been set up and, with the excuse that the struggle against terrorism imposes the need for ethnic cleansing in various strategic points of the West Bank, the Israeli army has forcibly re-conquered a good part of the territory in the Gaza strip itself. It is only from this actual *status quo* that the Israeli government has said it is prepared to negotiate.

But even here there are harsh political conditions. The first is that old Arafat, who's accused of being ambivalent about Palestinian terrorism, leaves the scene and that his influence is reduced to a bare minimum. The new prime minister, Abu Mazen, who is favoured by Sharon and the Bush administration, has to be the real post-holder while the new person in charge of the secret services will be at the behest of its rival and finally the new government will have to hold up an iron fist towards Hamas, Islamic Jihad and all the other terrorist organisations which make life difficult for Israel's occupation of the territories. After all this it's impossible to speak of a Palestinian state except in the geographical terms imposed by Israel, that is as a series of Palestinian settlements standing out incongruously across the West Bank where the Israeli state would remain in control of the waters of the river Jordan. In this way, the so-called Palestinian state would be reduced to a sort of political and military protectorate of Israel. The Sharon government will never allow the restitution of the whole of the West Bank, both because the settlements are now regarded by everyone as belonging to Israel and above all because the West Bank is the richest and most fertile area in the whole of Palestine. Nothing new then, except the Iraqi war which, whilst dramatically accelerating the larger imperialism's prosecution of its economic and strategic interests, has also opened up the way for its small, but otherwise voracious, ally. So everything is settled then? No, because as is already happening in Afghanistan those in Iraq who do not want to accept the strategy of American imperialism are ready with their response, even if this means re-running the old routes of nationalist Islamic terrorism. Unfortunately for the Palestinian and Arab masses, the response will be a sterile blind alley so long as they do not make the effort to pose the issues in class terms and in terms of the class struggle, for solutions which go beyond nationalism and all

its bourgeois traps, *pax americana* included.

FD

[translated from Battaglia  
Comunista 5, May 2003]

### Note

1 Although Garner has been replaced (by Bremer) since this article was written, its arguments are unaffected.



## Repression

# September 11 – Green Light For State Terror

If September 11 heralded a new era of international terrorism, much of it has been perpetrated by so-called democratic states against individual citizens. The worst culprit is, of course, the US, which not content with perpetrating the most blatant acts of imperialist aggression since Hitler, has also unleashed the “war on terror” against a significant number of US residents.

The most visible abuse of state power has been in relation to the prisoners seized during the American invasion of Afghanistan and transported to the US base of Guantanamo Bay in Cuba, where around 600 prisoners were initially held. Although captured in a war situation the US has failed either to accord them prisoner of war status, or to charge them with any criminal offence. Dozens of those held are children under 15 years old. Nearly 2 years on many of them still remain in detention against all bourgeois conventions on human rights, the very same rights we are told that the “war on terror” is supposed to defend.

Less attention has been paid to the 1200 non-national residents of the United States who were rounded up in the weeks and months after September 11. Most of these were men of Arab and South Asian origins who have been held in detention often for several months for routine visa violations. In October 2001 the US Congress passed the “Patriot Act” which extended the period of detention without charge to up to seven days for non-nationals “certified as terrorist suspects. Most of the detainees have been held under even more draconian powers. On 17<sup>th</sup> September 2001, the Department of Justice issued an “interim” rule permitting the Immigration and Naturalisation Service (INS) to hold people in effect indefinitely “in the event of an emergency or other extraordinary circumstances”. Detainees have been held in secret locations without access to family or lawyers. In some cases even where an Immigration Judge has granted bail, the

INS has failed to release the detainee pending hearing by merely asserting without any evidence that the person constitutes a security risk. Many immigration hearings have been conducted in private with no public record of the proceedings. There are also reports of detainees being subject to brutal treatment and prolonged periods of solitary confinement. Overall the treatment of prisoners has fallen way short of the International Covenant on Civil and Political rights to which the US is a signatory. In almost all cases there has been no evidence to link suspects with any terrorist activity.

In the UK similar repressive legislation has been brought into play. Soon after September 11 the Anti-Terrorism Crime and Security Act was rushed through parliament. Part 4 of the Act gives power to the Secretary of State to certify non-UK nationals as suspected international terrorists and a security risk. Once this certification has taken place potentially indefinite detention without charge or trial can take place. Whilst this is clearly in breach of the European Human Rights Act, the government justifies the Act on the basis that the UK is facing a public emergency. The focus on non-UK nationals is clearly racist in intent, as it is just as likely that UK citizens could be *Al Qa’eda* members. The threat of terrorism has also been used by the state to generate fear and resentment against asylum seekers. There have been racist insinuations that all asylum seekers are terrorists, and on the back of this, the immigration and asylum laws have been further tightened to make things even more difficult for victims of persecution to have their claims accepted in the UK. Further legislation in the pipeline aims to limit the right to trial by jury.

The post September 11 clampdown is not just limited to Western powers but is a global phenomenon. In March 2002, the Indian government introduced a Prevention of Terrorism Act which allows evidence based

solely on police station confessions to be admissible in courts for terrorist offences. Such confessions are deemed unsafe in ordinary criminal matters as they are regularly obtained through the use of torture. No such qualms now apply to terrorist subjects. Such measures virtually ensure the conviction of anyone the state deems to label as a terrorist. In the Philippines the government has labelled formerly lawful opposition groups as fronts for armed groups.

For liberals these repressive measures are an unacceptable breach of the “rule of law” and human rights. However, Marxists understand that these “rights” have no material substance and are just part of the machinery of ideology. One example of the illusion of human rights is the requirement that all new British legislation must be certified by the Secretary of State as compliant with the Human Rights Act, and, of course, he always certifies that it is. The major imperialist states simply ignore or undermine international law when it is in their interests to do so. The US’s flagrant violations of international law have been discussed in RP 28 “Iraq War and Imperialist Occupation.” We will only note here the recent undermining of the International Criminal Court set up by the UN. Not only has the US proclaimed it will never allow its citizens to be subject to it but it is insisting that its allies sign agreements whereby they refuse to extradite US citizens indicted by the court. The US, which did not hesitate to set up the Nuremberg trials in 1945 to punish the “war crimes” of its enemies, is unwilling to submit itself to the same justice. The essential point in all this hypocrisy is that rights and international law only exist so far as they are compatible with the maintenance of bourgeois power over society and protection of imperialist interests. When this power is threatened internally or its imperialist interests are threatened internationally, all rights and international law are

*continued on facing page*



# Firefighters' Strike — A Postmortem

In June the FBU announced that after nine months the firefighters' dispute was over. In a speech in Glasgow Andy Gilchrist, the FBU leader, described the settlement as

*a historic achievement*

This isn't how firefighters see it. The end of the strike has been met with a flood of condemnation of the union from its members. One firefighter from Bromley summed it up

*[Gilchrist] has done everything to undermine our action. He cancelled strikes and the deal on offer is the same one we have already rejected*

## Green Light for State Terror

*continued from previous page*

thrown out of the window. Real relations of force remain. Human rights and international law are simply the camouflage with which these brutal relations of force are hidden.

The repressive legislation currently directed against "terrorism" will be, without doubt, directed against the working class and its political organisations when they challenge the capitalist world order. As communists we denounce terrorism which is an act of bourgeois individualist desperation rather than the conscious expression of the working class. We also of course condemn the indiscriminate destruction of life brought about by terror incidents and the way that terrorism provides the state with justification for further repressive measures. Notwithstanding this position, we can be sure that the state will use its "anti-terror" laws against working class militants in the future.

This is why that in future class struggles the working class must rely on its own power to defend itself and its militants rather than appeal to the mirage of bourgeois rights

PBD

A firefighter from Glasgow told Gilchrist he was using

*double talk and weasel words. It is a sell-out. If this goes through it will lead to fire station closures and deaths*

The 16% pay deal is exactly the one rejected by firefighters in a ballot in April. It's a far cry from the 40% they originally demanded and which the union said was

*the only conceivable end to the dispute*

The deal means that firefighters will get a 4% rise backdated to November 2002, followed by 7% this November and 4.2% in July 2004. In return they will face changes which will lead to job cuts and the closure of firestations. This deal is almost identical to the one overwhelmingly rejected by firefighters in April. Employers will now be given the power to determine how many firefighters are on duty at any location at any one time. This means a shift away from night cover in city centres and other areas deemed not to need cover. The FBU has agreed to drop a ban on scheduled overtime, one of the sticking points of the last agreement in April. As one senior manager stated, ending the ban on overtime has

*conceded the flexibility we wanted all along.*

*At the moment all firestations have to be crewed around the clock. The settlement now gives management the right to move firefighters where they see fit. Retained firefighters will get the same pay rates as full-time workers but staff in the control rooms will face further evaluation. In order to prevent future disputes employers are proposing an indefinite pay formula by linking wages to professional and technical staff rather than manual workers. It should be remembered that it was firefighters unions who originally wanted wages to be linked to those of manual workers in the first place. The firefighters have always*

*expressed the fear that, that stations would be closed and lives would be lost as a result. It is now only a matter of time, before this happens.*

*The imposition of so-called flexible working was always behind this dispute. Last summer Gilchrist was more than happy to negotiate a settlement of 16% offered by Local Authorities until the government stepped in to block the offer. The final settlement is much closer to that suggested by the Bain Committee, offering 4% in the first year and 7% in the second, subject to changes in working practices.*

*As we said at the beginning of the dispute, the government seemed determined to dig in their heels and prepare for a long bitter battle. Demoralisation was indeed the name of the game. The Labour Party, desperate to hang on to the coat tails of the US and invade Iraq, hated the rank and file firefighters for refusing to bow to patriotic pressure and for putting their own class interests above those of the state.*

*Apart from stepping in to stop any settlement it spent over £125 millions trying to defeat the strike, terrified in case a win would lead to other public sector workers following their lead. Money was only one issue. Big pay increases had been found for the police, but when the government consistently stepped in every time a settlement was about to be reached, it appeared more and more likely Blair wanted to take on the most confident sector of the working class in the way Thatcher took on the miners. Strikers were denounced as selfish, criminal wreckers of the economy and of the national interest and even as stooges of Saddam Hussein. By June the government had rushed through legislation which would have allowed it to impose a pay settlement.*

## Strike Sabotaged by the Union

The firefighters' biggest enemy however wasn't the state, it was their



own union. When he was making his speech in Glasgow announcing the FBU had accepted the pay deal Gilchrist said anyone who thought they could win by striking indefinitely and keeping members together was

*coming from a different universe*

*The reality was the strikes were always solid. The initial vote for strike action was one of the highest ever votes for industrial action ever recorded. It was the union who called them off, most notably in November when it suddenly announced the planned eight day strike would not go ahead. As it turned out this was a crucial turning point in the dispute.*

*Interestingly enough Gilchrist also said*

*If anyone thinks we can overcome the state with a few periodic strikes then they are living on a different planet*

*He is right there. But it was the union which chose the tactic of periodic strikes from the start. What is particularly galling for firefighters is that this is a strike that could have been won. The firefighters were kept isolated by their union from the disputes of other workers when they could have easily and naturally linked up. Rail and tube workers were in dispute at the same time and tube workers refused to work on the days of the firefighters strike. The FBU also suspended all strike action for the duration of the war, against its members wishes and just at the very time a strike would have had greatest impact, not only in pursuit of the pay deal but also against the state's barbaric war efforts.*

The failure of the strike isn't simply down to a few union bureaucrats who followed their own self interest and sold everybody else out. It's a wider problem of how the working class can organise itself outside the unions. The unions are the day-to-day troubleshooters in the workplace. They advocate for individual workers to a greater or lesser extent to ensure everything runs smoothly. And when bigger disputes emerge their role is to negotiate a settlement as palatable to both sides as quickly as possible. But they will always ultimately come down on the side of the employers because this is where their interest lies. Workers can be laid off, but when the industry goes, so does the union. Unions have never been revolutionary organs of the working class and their role has always

been to negotiate the terms of the sale of workers' labour power. However as we have seen in just about every dispute for the past thirty years they don't do this to the advantage of the working class. Time and time again strikes have been divided up into little sectors, workers have been divided from each other, funds have not been used for strike pay and any victories have usually been short-lived and paid for with lay-offs or worse working conditions. But as this dispute has shown, the unions have a far wider interest in the nation and its aims than in the working class. If workers' action looks like it will in any way harm the imperialist interests of an individual state, the union will do everything it can to prevent this happening. Social peace is the aim of trades unions, and at a time of war this is even more essential. Gilchrist isn't some rogue leader, he is expressing the logic of an organisation which exists for the preservation of capitalism. If any dispute shows in high relief how important it is for workers to organise their own strike committees outside of union control, linking their dispute with those of other workers, breaking out of the stranglehold of the unions, it is this one.

### **How could the strike have been won?**

The union made much of the need for public opinion to be on their side, but even the most positive public opinion has never helped workers win a strike. Any support needs to be far more practical and it needs to come from other sections of the working class. As we said above public-sector workers and transport workers were the natural allies of the firefighters and all had their disputes brewing around the same time but all were segregated by their unions. One way forward would have been for firefighters to organise independently and outside of their unions and link up with these workers through mass meetings, where spokespersons were elected by everyone involved and recalled if they didn't put forward exactly what the mass of the meeting decided. By putting forward common demands the strike could have spread, unity could have been solid and all workers involved less open to isolation and individual bullying, both by their employers, the government and the unions.

Open mass meetings and assemblies where everyone is included and

listened to is real democracy. Arguing that the leaders of a union should be replaced with new leaders is to be guilty of perpetuating a system at the heart of the continuing exploitation and oppression of the working class.

The firefighters may have lost this battle but it should be remembered they had the guts to continue their dispute during a war. They faced a barrage of anti-working class ideology from a hostile media and constant insults from over-fed politicians who have never risked their lives for anyone. Despite this they didn't give in, they stood firm against nationalist propaganda and stuck to their own class interests. For that we salute them.

**RT**



# Pensions and Social Benefits Under Attack

*We are printing below an article by one of our French comrades from Bilan et Perspectives dealing with the strikes of French workers against the reduction of their pensions, and struggles by education workers. Throughout Europe, pensions are under attack, as the bosses and their state try to cut wages by attacking their indirect and deferred component. In Belgium, France and Austria the working class has responded with strikes and other actions. In Britain the attack on pensions is leading to the age of retirement being increased from 65 to 70 and the ending of many final salary schemes. These changes, which amount to theft, are being introduced under the fraudulent slogan of non-discrimination against older workers.*

*These attacks on the social wage are part of a more general drive by the European capitalist class to reduce the cost of labour power. Through these attacks the European bourgeoisie hope to catch up with the achievements of the British and American bourgeoisie who have savagely cut the social wage, introduced flexibility in employment and extended working hours. For the Europeans the attacks on pensions, health care and social benefits are the start. Behind these measures attacks on working conditions and hours worked per week are being prepared. The struggles by workers in Austria and France follow struggles in Italy and are the latest defensive responses of European workers to the series of measures now being introduced across the EU. In Germany the task of reducing the social wage and overturning the post war settlement has been taken up by the Social Democratic Party and a new parliamentary bill threatens to cut €20bn from the health care budget annually by reducing the contribution made by employers. This will result in workers having to pay for medicines, ending of maternity payments etc. In addition, an attempt to reduce working hours in the East of the country to that in the West, has been defeated after a month long strike organised by the unions. This is a prelude to extending the working week. These attacks show again how important it is for the capitalist class to reduce the cost of labour power if they are to restore profitability and growth.*

*A comrade from the GIK<sup>1</sup> has supplied us with the information which follows on the action in Austria.*

*The attack on pensions in Austria has been particularly ferocious:*

- the raising of the pension age from 61.5 years to 65 years (the previous reform raised it from 60 to 61.5 years);*
- the general abolition of early pensions (before the legal pension age) — which will send many workers between 55 and 65 into unemployment);*
- the diminution of the pension value of a year worked by 11%, so that you have to work 45 years instead of 40 years in order to achieve the full pension (80% of*

*the wages) or you get 11% less pension if you don't achieve these 45 years;*

*(These three measures were to come into effect immediately; next year.)*

- the expansion of the Bemessungszeitraum (the period of work time determining the value of the pension) from the best-paid 15 years to 40 years over the next 25 years (each year one year more, beginning with 2004 and ending in 2028). Experts say that an expansion of one year of the Bemessungszeitraum means an average pension loss of almost 1%, so that this point will lead to pension losses of 20 or 25%, depending on the individual's career path.*

*In introducing these reforms, the right-wing government (which consists of the Christian democratic People's Party — ÖVP — and Jörg Haider's Freedom Party — FPÖ) broke with the post-war consensus between government, unions and employers. Since 1950, when there was a broad strike movement organised by Stalinists and left Social Democrats, there has been a "social partnership" under which the unions and employers (through their confederations) co-operated in arranging wages, etc. The unions also had great influence on legislation and government policy. The success of this arrangement was seen over the past 10-15 years, over which period the unions often threatened strikes, but rarely called even one-day ones.*

*When the reforms were announced in March, without their participation in drafting them, the unions (the ÖGB — Österreichischer Gewerkschaftsbund) felt compelled to call strikes, in contradiction to their usual behaviour in avoiding them. The ÖGB demanded their re-integration into the decision-making process with the employers' association, which supported this demand. They also demanded transition periods for the introduction of the measures, and a reduction of their extent. The ÖGB felt pressure from the base, which was outraged at the effective cut of 12% in pensions for those that retire in the coming year, and of 30% or 40% for those retiring in 25 years' time.*

*On May 6th, May 13th and June 2nd there were strikes involving several sectors at the same time. The strikes took place in public services (administration, customs, schools), in public transport (railway, busses, the Vienna underground) and in parts of industry, especially in the bigger plants.*

*On the first strike day, May 6th, schools were closed and public transport struck until 12 o'clock. But the unions did not allow many strikes in industry. In the late afternoon there was a big demonstration against the pension reform in Vienna in which between 150 000 and 200 000 people took part.*

*On June 2nd, the third strike day, almost the whole administration, all schools, the railway, almost all bus lines*



and almost all bigger industry plants were on strike. Rubbish collection was halted in some cities, Vienna airport and the airline were also on strike, as were some bank workers.

The strikes were widely supported, even by non-strikers. According to the ÖGB, over a quarter of the population of Austria struck on at least one occasion. Despite this, there was not a general strike. Much of industry, especially small- and medium-size factories, was untouched, as was the wholesale trade and most of the banks. The unions did not go so far as they could, as they did not want to hit industry (which for them and for public opinion was not responsible for the reform). Despite the fact that many shop stewards wanted to strike in industrial plants, the majority of the workers were not behind them as the bosses had threatened them with dismissal. There was also a big discussion in the media about the right to strike. The bosses and many judicial experts and journalists asserted that the strikes were illegal because they were political strikes (against laws and government) and hit the wrong target (industry).

After the first strike day and the big demonstration, the ÖGB threatened with further strikes and the government announced some compromises, which also reflected a split in their own ranks, with the populist FPÖ being nervous about its "standing up for the little man" image. They introduced transition periods for some measures, so that they are not fully valid within one or two years, but grow in impact over five or ten years. However, the main concession is the limiting of pension losses to 10%. Nevertheless, there was a refusal on the part of the government to guarantee these concessions until 2028.

The unions talked with the government in so-called Round Table meetings. But after some of these the unions left the negotiations and called further strikes for June

2nd. Without achieving further concessions they then ended the strikes.

There is a plan for the harmonization of the pension system, which the government suddenly wants to work out with its "social partners" (the unions, workers' chamber, industry chamber) this coming Autumn, the abolition of the different pension systems (for workers and employees, civil servants, the self-employed, farmers, etc.) and their integration in one system for all those who are younger than 35. This will lead to a deterioration of the pensions of the civil servants (i.e., state employees) who have higher pensions today but also have to pay higher contributions. Perhaps further strikes will be triggered when this comes into effect.

The strikes show that the times of social peace are over in Austria too. The so-called "social partnership" no longer functions, and the unions are compelled to strike. This was becoming increasingly clear during recent years when there were limited mobilisations and demonstrations. The years of "social partnership" show where the social role of the unions leads. Despite the breakdown of the post-war consensus, the unions will continue to play that social role of selling workers' labour power to capital: a role which is entirely within capitalism and causes them to function in the interests of that system. It is for this reason that they act as a brake on workers' struggle.

In a further parallel with the events in France, as well as the pensions struggle there was also a struggle over education cuts, with teachers striking over these as well as over the pensions issue.

The GIK distributed leaflets in the large demonstrations connected with the struggle in Austria (and also in connection with the Iraq war).

## The French Strikes of May and June 2003

For a year now, France has seen great displays of National Unity: the great democratic ceremony of spring 2002 (the Presidential elections, with the victory of Chirac against Le Pen), then the mobilisation behind Chirac as the defender of peace, democracy and European style menaced by American imperialism in Iraq. In this period, unanimity was *de rigueur*, and there were few dissonant voices criticising the defence of capitalism behind the defence of democracy, the defence of French (or European) imperialism behind the attacks against the USA. But economic realities, the internal necessities of French capitalist society could

not remain well-hidden for long. Whether it is desired or not, the bourgeoisie and the proletariat still exist and their antagonism is still around. In the savage competition between the different capitals, our bosses and their state are obliged to take anti-working class measures even if this endangers the national consensus. It is within this framework that the government, from the start of the school year in September 2002, started to take measures to make economies in state education. In France, more than a million people work for the Ministry of National Education: these include teachers, of course, but also caretakers and main-

tenance personnel, administrators, educational psychologists, nurses, doctors and *surveillants* (class and playground supervisors). If the majority have the status of state functionaries, numerous people are nevertheless precariously employed, work intermittently, have been taken on under measures of previous governments to mask unemployment or are students paying for their studies by working as *surveillants*. The announcement that these jobs are to be abolished unleashed a strike movement in the hardest-hit areas. Afterwards, the government decided to transfer the majority of the non-teaching personnel to the regions, which has



been seen as the beginning of privatisation and the dismantling of state education and, in any case, aggravates the disparity between various establishments. While the unions<sup>2</sup> called their usual "days of action", certain establishments went on strikes which started in March, in particular in the northern suburbs of Paris and in Marseilles. This very isolated movement developed without the support of the union leaderships. It was from that moment onwards that the leaderships declared their habitual "days of action". It is amusing to note that, at that time, the journalists announced on every "day of action" that the "movement was running out of steam"... and that with each loss of steam, the paralysis of state education grew until it was almost complete (for example, the number of strikers reached 90% on certain days in the Marseilles region).

Another attack then accelerated the movement: the announcement of the plan to reform pensions.<sup>3</sup> Prepared over several months but then delayed for some time to avoid the electoral campaign, this was a broad attack, aimed, in the name of equality, at the reduction of the pensions of state employees to the level to which the pensions of workers in the private sector had been shrunk in 1993. From that moment on, all state employees were directly affected. Faithful to their strategy, the union leaderships called a day of strikes and demonstrations in the public sector for 13<sup>th</sup> May, supporting the negotiations which opened with the government. As always, the unions had to prove to the government and the bosses that they represent the workers and that they could control workers' combativity. They had to be able to obtain something for the workers which could be presented as "an advance" or at least a limitation of the attack. This strategy met very widespread workers' discontent on 13<sup>th</sup> May. In many municipalities, the number of strikers reached historic highs, rarely seen since 1968. The demonstrations, too, were massively attend-

ed. This mobilisation found itself confronting the question of following up the strike the next day. When the only perspective the union confederations<sup>4</sup> could give the workers was a demonstration on 25<sup>th</sup> May, a Sunday, the traditionally most combative sectors, for example the SNCF (French railways) and RATP (Parisian transport workers), extended the strike to the 14<sup>th</sup>. It

is for this reason that, in the name of a strategy for negotiations (the timetable extended into June) and the special character of these workers' pensions (which are not affected

by the present reform — although the workers have no illusions about the future of their pensions), that the union leaderships, and in particular the CGT, ordered a return to work by promising a strike day at the start of June in addition to the 25<sup>th</sup> May demonstration.

It is at this moment that the CFDT<sup>5</sup> chose to sign an agreement, without obtaining anything but marginal improvements to the initial offer.

Following these manoeuvres, the character of the mobilisation varied according to the sector and the region. May and June rolled out to a rhythm of "temps forts", days of action called by the union confederations, during which there were huge demonstrations. Between these days, only the most combative sectors remained on strike. Throughout this period, however, the unions succeeded in the great majority of sectors in imposing their agenda of struggle, that is, striking only one day per week. The leadership of the confederations, the government and many unions played on the specific character of

conditions in public transport, which, because of its capacity to paralyse the economy, was the reference point for everyone, government and workers, in order to demobilise the workers there. It was necessary for them, at any cost, to prevent a generalisation of the strike at the start of June.

In effect, workers relatively lacking in momentum joined the SNCF and other transport workers, who themselves were divided, on June 3<sup>rd</sup>. And, if the day of action was effectively a new success, the follow-up action only involved a minority of workers. The generalisation of the strike to all other public sector workers did not happen. Nevertheless, the strikers held out for more than a week, despite the demoralisation sustained by the union leaderships and the media (*the movement is running out of steam* was the constant slogan of the television and other news).

It was, however, a very broad movement which developed in May and June. Even if it consisted of no more than stammerings, it can be considered as the resumption of the struggle on the part of the workers at least on the economic plane. The class character of this movement was neatly affirmed. In a clear fashion, it was about defending the class's conditions of work, its sacked colleagues, its own future pensions. The workers in state education, generally heavily influenced



"Defend our pensions", 25<sup>th</sup> May demonstration in Bourdeaux

## Bilan & Perspectives

ISSN 1623-6890



**Editorial : l'Argentine**  
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**N°3 février 2002**  
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by the ideology of the "École de la République" have learnt that, *République* or not, it is on their backs that the economies made by the state will be carried. These workers have felt that their movement, in order to be strong, must be expended, not just to other workers in state education, but also to the other public sector employees. And often, rank and file workers, without waiting for union instructions (which would never have come), have met up with other workers. Another new phenomenon has been the establishment of *Assemblées Générales Interprofessionnelles* (All-sector general assemblies). According to the district, these assemblies were either a place for free workers' expression, or, on the contrary, strictly controlled by the union confederations. This was because the movement did not question the logic of the unions. The great majority did not *understand* the confederations' tactics. They saw the sabotage of their struggle but they did not *understand* the reason for that sabotage. Another weakness was that the workers did not know how to build for themselves a strong organisation. As well as general assemblies, in order to escape the union leaderships it is necessary to elect delegates for sectional and city assemblies to prepare the actions leading to the generalisation of the movement. This alternative to

the power of the confederations was not posed.

As in other European countries, this attack against the workers will not remain isolated. The state must make more and more economies. To assure French companies' position *vis-à-vis* international competition through the reduction of fiscal pressure and the reduction of its social spending, but also to favour the development of privatised social provision to the benefit of large finance capital, the state has to more and more dismantle social benefits. These benefits were the reflection of the period of reconstruction after the Second Imperialist World War. The government has announced a reform of Social Security for the Autumn. In order to protect itself, it is pushing the notion of public service or minimum service: the aim is to make strikes impossible or ineffective. A whole arsenal of measures is now being prepared. Workers will have to fight these measures and should take into account the experience of this spring.

### Notes

1 The GIK (*Gruppe Internationaler Kommunisten*) is a loose grouping of militants generally sympathetic to the positions of the IBRP, with the perspective of forming a tighter organisation in the future. It can be contacted at: Postfach 13, A-6900 Bregenz, Austria.

2 State education (*Education Nationale*) is the single sector which is strongly unionised. A single organisation, the FSU (*Fédération Syndicale Unitaire*) largely dominates. It is independent of the union confederations, is a model of integration with the administration and is organised along largely corporatist lines (with a union for institute staff, for teachers, for sports teachers, caretakers, etc...). An organisation to its left, the SUD Education, has scarcely started to exist. The FSU is politically leftwing, as is the very great majority of the teaching body.

3 In France, pensions are final-salary agreements. For wage-workers in the private sector, the system changed in 1993. The present reform concerns permanent workers in the public sector. Simplifying, at the moment, it is necessary to work 37.5 years to obtain 75% of final salary on retirement (at 60), or 1% per half year. After the reform, it will be necessary to work 40 years to get 75% of final salary. There are "special pension regimes" (SNCF, RATP, etc) which are not (for the moment) affected.

4 The French union confederations are roughly parallel to the TUC, but there are five of them: CGT, CFDT, FO, CFTC and CGC.

5 The CFDT is the second union confederation by number of members, representatives, etc.

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# The Euro, Britain and US Imperialism

In early June, the Blair Government once again postponed a decision to join the euro. Although the treasury produced volumes of analysis to prove that two of the famous five tests had not been met all this was a smokescreen. The decision was a political one not an economic one. The real issue facing the British capitalist class was whether to retain its position as junior partner of US imperialism or to throw in its lot with the emerging European bloc. This postponement shows how deeply the British bourgeoisie is split on this issue. On the one hand, economic forces are increasingly driving the UK into the European camp, on the other the other; the British role a chief lackey of US imperialism brings it crumbs from the US table which it does not wish to lose. The Iraq war has cruelly illustrated the contradictory nature of the British position.

Although it has been the aim of the Blair government to take Britain into the euro since 1997, one of the hidden aims of the Iraq war was the bolstering of the role of the dollar as the currency of the oil trade and thereby maintaining its role as the world's trading currency. The principal threat to the dollar comes from the euro and by joining the euro bloc Britain would be strengthening the euro area and undermining US imperialism. Hence, the Blair government has chosen once again to opt for its mid Atlantic position, which was summed up by Blair himself as follows:

*I believe stronger with America makes us stronger in Europe. Stronger in Europe and we are a better ally to America. I never believe we should choose between the two.<sup>1</sup>*

The forces of capitalism are, however, inexorably widening the Atlantic gulf and the mid Atlantic position of Britain is becoming untenable. The Iraq war has formalised a reversal in the US position towards Europe. Instead of supporting European integration, as had been the case during the cold war period, the US now sees the European Union (EU) as a rival and aims to

prevent integration. For the US, Britain's role is to drive wedges into the EU and weaken the euro. It is this position, which the Blair government has chosen for the present. However, while saying "No" to the euro now, but possibly "Yes" in 2005 or 2007 it has managed to continue to sit on the fence.

## The role of the euro

The creation of the euro in 1999 was a response by the European bourgeoisie to the economic crisis of profitability. However, its creation also represented a major step in the development of a separate European imperialist bloc. At the level of the economy the euro was designed to achieve the normal aims of the capitalist class, increased profitability, capital accumulation, increased trade volumes, reduction of costs, etc. On the international level, it marked a clear challenge to the unrivalled dominance of the dollar, which had followed the collapse, in 1971, of the Bretton Woods system of fixed exchange rates and dollar convertibility. The demise of the Bretton Woods system saw the final ending of the backing of the dollar by gold. From this date the US had no obligation to exchange the dollar for gold or anything else, and the dollar's continuation as the currency of world trade, gave the US the ability to levy a tax on its use which, as we have shown elsewhere<sup>2</sup>, brings the US an enormous unearned income which, today, amounts to approximately \$500bn annually. The US is thus able to appropriate an enormous amount of surplus value produced by workers worldwide which would have otherwise gone to other sections of the bourgeoisie. Not only was this resented by the European capitalist class, but they also wanted to appropriate a part of this amount themselves.

It is significant that the Europeans only felt confident enough to embark on this challenge to the dollar's domination after the collapse of the Soviet Union and the subsequent removal of the necessity to hide behind the US military power ended. The process which initiated the euro was begun with

the treaty of Maastricht in 1992, barely a year after the collapse of the Russian bloc. The development of the euro can therefore be seen as a decisive step in the European challenge to the dominance of US imperialism since the end of the cold war.

As we have pointed out in previous texts, the euro is unique in that it is a currency adopted by twelve nation states, without the accompanying political unity, or common fiscal, foreign and defence policies<sup>3</sup>. While few in the EU yet dare to breathe the words "Federal state", the new constitution which will produce a president of the EU, as well as a common foreign policy and a common defence force is clearly a step in this direction. The major states in the EU are moving reluctantly in this direction like stubborn oxen being goaded by the pressure of events a step at a time.

The currency itself has proved a success and achieved many of its aims which have improved the profitability of European capital. It has, for example, produced a zone of low inflation and currency stability free from the type of disaster which shook the area in 1992 when Britain and Italy crashed out of the European Monetary System. It has reduced trading costs and increased the volume of trade, thereby increasing the GDP within the euro zone over and above that which could have been achieved by the sum of the national currency zones. It has attracted more Foreign Direct Investment (FDI) into the zone than would have occurred without the common currency, and a significant proportion of this has been diverted from Britain, as will be considered below. It has facilitated capital concentration, capital movement, labour flexibility and productivity. Internationally the currency is now being held by central banks worldwide, particularly in South-East Asia, as an alternative reserve currency to the dollar, and oil-producing nations, not just Iraq, are considering pricing oil in euros<sup>4</sup>. It is, in fact, the success of the



euro which has led the US to take its challenge seriously.

### **Britain and the euro**

Even the chancellor, Gordon Brown, whose role was to say "not yet" to the euro, conceded that there were sound reasons for Britain to want to join the currency. For the British capitalist class the real issue is whether joining the euro will increase capital accumulation and restore profit rates. The key issues in deciding this question are whether joining the euro would open up increased sources of capital, cheapen the price of labour power and increase markets for commodities. Underpinning these things are the needs for a stable currency, free movement of capital and international concentration of capital. A brief examination of these items shows that the economic case for joining the euro is exceedingly strong.

- *Sources of Capital:* Foreign Direct Investment (FDI) into Britain has dropped by 80% since the creation of the euro. UN statistics show that on average, in the two decades before the establishment of the euro, the UK received 29% of all the FDI going to the present EU countries. By 2001, this had declined to 16% and in 2002 it had collapsed to 5%. EU investment into the UK has also declined as a percentage of total EU investment over the period since 1999, though not as dramatically. The UK is still a net exporter of capital and relies on foreign capital for 40% of all manufacturing investment and this drop is a serious setback. The "Britain in Europe" group, which campaigns for entry into the euro, calculates that £108bn in foreign investment has been lost by Britain remaining outside the euro. FDI still comes to Britain on the assumption that in the longer term Britain will join the euro but, nonetheless, a massive amount of capital has been lost by Britain remaining outside the euro zone.

- *Cost of Labour Power:* The British working class has suffered greater defeats and consequently has suffered more restructuring and dispersion than the French and German working class. In capitalist terms, labour is more flexible in Britain than in the major European countries though it is less skilled and so less productive. While

cheaper labour is available in the peripheral countries of the EU, such as Spain, Portugal or Greece, the UK has access to this labour without joining the euro. Joining the euro does not directly affect this issue but the currency conversion costs, and the currency fluctuation factors make exploiting this labour more difficult for the British bourgeoisie.

- *Increasing Markets for commodities:* The EU is now a market of 380 million people. Britain's trade with the EU has risen inexorably over the years. When Britain joined in 1972, exports to the EU countries amounted to 42% of the total. By 2002, the figure had risen to 58% for all the EU countries and 55% for the euro zone countries. Exports to the US, by comparison, amounted to 15% in 2002. The American Development Bank has calculated that trade within the euro zone increased between 12% and 19% in the 4 years of the euro. The bank further estimated that British trade in 2001 would have been £12bn higher if Britain were in the euro.<sup>5</sup> The markets for British commodities would therefore, have been enlarged and a larger mass of surplus value generated.

- *Free movement of capital and stable currency:* Free movement of capital would be easier and cheaper within the single currency area which would facilitate easier concentration of capital. The stability of the larger currency area would have greatly benefited the British bourgeoisie. It is estimated that currency fluctuations, most notably the strong pound propped up by Britain's role as an oil-producing nation, has directly caused the loss of 3500 manufacturing jobs for every month the country has stayed outside the euro. During the period since 1999, altogether 600 000 manufacturing jobs have been lost in Britain, while in the euro zone manufacturing employment has remained stable.<sup>6</sup>

The economic arguments advanced by the chancellor for staying out of the euro were extremely feeble. On the one hand, we were told that the famous convergence test between the British and the euro zone economies, had been failed, and, on the other hand, that there

was insufficient flexibility in the British economy to accommodate the change over. The main criterion of convergence is the prime interest rate which is today only 1.75% above that of the euro zone. This is the lowest it has ever been. The flexibility of the British economy is greater than that of its euro counterparts. If British capital was decided on joining the euro, the economy could be adjusted to remove these supposed obstacles to membership. With the euro strengthening against the dollar a very favourable entry rate for sterling of approx €1.4 to the pound could have been negotiated. The entire economic case against joining appears to have been a camouflage to conceal the real indecision of the British ruling class.

### **The Dilemma of British Capitalists.**

Although the economic forces driving British capital towards Europe are extremely strong, the nostalgia for the post-war certainties and the US alliance linger on. However, the economic crumbs, which the British bourgeoisie can get from the orgies of US imperialism, will never compensate economically for the more substantial benefits of European integration. Even when a rich country, such as Iraq, is looted the British receive only minor sub-contracts from their US masters, and their share of a privatised oil sector is likely to be on a similar scale. History will not permit such indecision indefinitely. Ultimately, as Marx demonstrated, the forces of the infrastructure of society, namely the economy, will adjust the political superstructure of society to express their needs. The political superstructure is ultimately determined by the infrastructure on which it is constructed. The needs of the British economy will therefore, in time, be expressed by the political actors who inhabit its superstructure. The British economy needs to join the euro. As we stated in RP24,

*It is not a question of whether the UK adopts the euro but when.<sup>7</sup>*

### **The working class and the euro**

The entire European project is, as we have shown, one to improve the profitability of capital and to increase its exploitation of labour. The corollary of this is the rise of another imperialist centre and the preparation for future war. These things are totally opposed



to the interests of the working class. The fact that improvements in the capitalist economy necessarily generate savage imperialist conflict and war is an indication of the total bankruptcy of capitalist society. The interests of the working class lie in the overthrow of the entire capitalist system and its replacement with a more advanced and rational society where production is for need not for profit. This can only be achieved by the development of greater unity and consciousness in the working class.

While the capitalist class organises itself on an ever wider scale and brings workers from many different countries together in global production it is bringing greater numbers of workers worldwide under its domination. Marx notes in the *Communist Manifesto* that the industry of the 19<sup>th</sup> century had destroyed the little workshops and that the factories of the industrial capitalists crowded masses of workers together and organised them like soldiers.

*The advance of industry replaces the isolation of labourers by their revolutionary combination due to association. What the bourgeoisie therefore, produces above all, are its own gravediggers.*

This process described by Marx continues today, though in a more confused way, on a global scale.

The European bourgeoisie is thus inevitably tending to equalise the conditions of workers in Europe. It is thereby laying the material basis for greater unity of the working class, which will, however, have to be the result of a *political* struggle. This is the only possible benefit which the working class can gain from the European project.

The project for the working class remains the construction of communist society. This society, in contrast to present capitalist society and the state capitalist version of this society which existed in the ex-Soviet Union, will

have no need of money. The euro, the dollar and sterling will be left to the museums and the history books.

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## Notes

- 1 Speech at university of Warwick, 14<sup>th</sup> December 2000, welcoming President Clinton
- 2 See *Internationalist Communist* 17, "Disharmony over the Euro"
- 3 The nearest historical parallel to the euro is the German currency union or *Zollverein*, established in 1833, which led within the next four decades to the union of Germany.
- 4 See RP28 "Iraq – War and imperialist occupation."
- 5 See Britain in Europe at [www.britainineurope.org.uk](http://www.britainineurope.org.uk)
- 6 *Ibid*
- 7 RP24 "Euro Circulates in European Streets"

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## Class Consciousness and Working Class Political Organisation

# Part Nine: The Idealism of Bordigism

In the previous part of this series we demonstrated that the most significant lesson as far as political organisation of the working class was concerned was that the party is a revolutionary instrument of the class. For a class without a form of property to develop, or defend, the only permanent way it can unite its demands is in the form of an organisation with a programme that expresses the revolutionary consciousness of the working class. However significant this party becomes numerically, it will always remain a minority, since we hold to the Marxist view that it is only in the **process of revolution itself** that the majority of the class will have their view of the world transformed. The actual preparation for, and leading of, the overthrow of the capitalist state, therefore, are the tasks for which the class creates a party.

### The Communist International

This was well understood by the highest revolutionary expression created in the revolutionary wave after the First World War – the Communist International. The Communist or Third International was set up in Moscow in 1919. It had originally been planned to hold the founding Congress in Germany but the premature revolt of the Spartakists and their subsequent massacre led to that option being ruled

out. The life of the International really began with the Second Congress in 1920. The *Theses on the Role of the Communist Party in the Proletarian Revolution* reaffirmed the basic Marxist position on the relation of the Party to the development of the class struggle.

*1. The Communist Party is a part of the working class, namely, the most advanced, most class-conscious, and hence revolutionary part. By a process of natural selection, the Communist Party is formed of the best, most class conscious, most devoted and far-sighted workers. The Communist Party has not interests other than the interests of the working class as a whole. The Communist Party is differentiated from the working class as a whole by the fact that it has a clear view of the entire historical path of the working class in its totality and endeavours, at every bend in this road, to defend the interests not of separate groups or trades, but of the working class as a whole.*

The *Theses* also went on to underline the significance of the role of the Communist Party in relation to the class-wide organs like the workers' councils or soviets.

*The rise of the soviets as the historical basic form of the dictatorship of the proletariat does not in any way diminish the leading role of the Communist Party in the proletarian revolution. When the German "Left" communists say [see their appeal to the German proletariat of 14 April 1920] signed Communist*

*Workers Party of Germany (KAPD – ed.)] that "the party too must adapt itself more and more to the soviet idea and assume a proletarian character" [Kommunistische Arbeiterzeitung No. 54] this is a confused expression of the idea that the Communist Party should merge in the soviets, and that the soviets should replace the Communist Party. This idea is basically wrong and reactionary.*

*There was a period in the history of the Russian revolution when the soviets were opposed to the proletarian party and supported the policy of the agents of the bourgeoisie. The same was true of Germany. The same is possible in other countries too.*

*In order that the soviets may be able to achieve their historical tasks, a strong Communist Party is essential, a party which does not simply "adapt" itself to the soviets but is able to ensure that soviets do not "adapt" themselves to the bourgeoisie and to white-guard social democracy, a party which through its fractions in the soviets is able to make them follow it.*

Thesis 8

And how could it be otherwise unless we think that communist consciousness is generated by anyone other than those parts of the working class which are already fighting to change the system?

However, what the Russian Revolution also taught us was that the building of socialism, the actual changing of the mode of production, can only be achieved by the mass of the class themselves, through their class-wide organs (in the Russian case, the Soviets). If the soviets fail to adopt and carry out communist measures then the revolutionary situation has passed. There is no way that the party can take on this role itself. What the Party is **not** is the state. When the Bolsheviks took power they understood this and Lenin exhorted workers to build socialism themselves because "no-one can do it

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Brazil



for you".<sup>1</sup> The clearest sign that the counter-revolution was on the march came when the Bolsheviks, faced with the destruction of the revolutionary class in the civil war of 1918-21, decided that the Party was the state and began to theoretically justify Party rule. The logic was the creation of a vast bureaucracy which, in time, became a new ruling class, with even the right to pass on hereditary privileges. This was not fully understood at the time and this partial understanding is reflected in the *Theses on the Role of the Communist Party in the Proletarian Revolution*. Whilst *Theses 9* and *11* are correct in seeing the need for the Communist Party to continue in existence until the final abolition of class society, *Thesis 10* is more a description of the existing state of affairs in the USSR rather than a theoretical analysis of the path to international proletarian emancipation. It ends

*In the organisation of a new proletarian Red Army, in the real destruction of the bourgeois state apparatus and its replacement by the beginnings of a new proletarian State apparatus, in the fight against narrow craft tendencies among groups of workers, in the struggle against local and regional "patriotism", in clearing the way for the creation of a new labour discipline—in all these fields the Communist Party has the decisive word. By their own example the members must inspire and lead the majority of the working class.*

By 1920 the confusion between party and state was already undermining the idea that the international extension of the revolution was the main task of the Communist Party. Whilst its members could "inspire and lead the majority of the working class in the soviets" the Party as a body is not an institution of any existing territory conquered by the

working class. Its task is to spread the international revolution. In this sense it was tragic that the Comintern's founding congress was not held in Germany as had originally been planned. This would have underlined that the Communist International was an instrument of world revolution and not an arm of the Russian state as it inevitably became once the revolutionary wave had retreated.

As it was, the Communist International did become part of the apparatus of a new state and increasingly became an instrument of its foreign policy in the struggle with the imperialist states (into whose orbit the new state was forced to gradually operate). And this is precisely where the distinction between

remains outside that process. In Russia the decimation of the original revolutionary class meant that the party took on more and more state roles (as we saw in our previous issue).

Worse still, the identification of the Party with the state and not with the international proletarian struggle also undermined the prospects for defending communism on a global scale. The consequences of this failure live with us today. And it was in the international sphere that the ancestors of today's Communist Left (and therefore of the International Bureau for the Revolutionary Party) first emerged as a distinct tendency. Since there is much confusion surrounding this both in theoretical and historical terms this is what we are turning to in this issue.

### The Italian Left

If the error of those who today look for inspiration to the councilist currents that pay homage to the German Left (see Part 6 of this series) is to deny the need for an organisation to unite our revolutionary class consciousness, the error of those who emerged from the Italian Left whom we today call Bordigists is to see the Party as not only the instrument of revolutionary leadership but also as the organ of rule after the revolution. They arrive at this position by a very neat piece of logic which is undialectical in that it just happens to leave out the context in which

communism will have to be built. Whilst the democracy of the capitalist state depends on the passivity of the workers, the communist semi-state will be totally different. Its only justification for existence is the continuing existence of hostile social classes. Once a classless society emerges the state will wither away and the organs



party and state has to be made. If the soviets in any given proletarian bastion need to create Red Armies, or other statist institutions, that is a temporary step backward that they might be forced to take. Even if some of its own members are involved in the debates in those soviets, the Party, as a body,



of political rule will become organs of rational economic decision-making – the society of “freely associated producers” foreseen in the *Communist Manifesto*.

However, this is to anticipate our argument. In the 1920's our ancestors in the Communist Party of Italy, a party founded by the Left under the leadership of the redoubtable figure of Amadeo Bordiga, shared a common critique of the degeneration of the Third International. For them the adoption at the Third Congress of the Comintern in 1921 of the slogan “To the masses” was not an error but it depended on what going to the masses meant. If it meant uniting all workers in common struggles that was fine but if it meant united fronts with the leaders of the very Socialist Parties which had already refused to join the Communist International, for the very good reason that they were against revolution, then that was not only opportunism but even a dereliction of class duty. The Italian Left did not however split over this as the German Left would have done (in fact the German Left split over issues which they themselves called tactical). They persisted in seeing themselves as a section of an internationally centralised party. Indeed it could be argued that they took this principle to

extremes since they accepted that as they were in a minority within the International in fighting the united front policies adopted at the Fourth Comintern Congress in 1922 then it was logical for the Comintern leadership (which was naturally dominated by the Russian Party) to replace Bordiga and the Left as the leaders of the Italian Party even though there was overwhelming support for both Bordiga and the positions of the Left in the Italian Party. Even the entry of Serrati's Socialist Party centrists into the party did not undermine the popularity of the Left and Gramsci had to resort to methods Stalin would have been proud of in 1926 at the Lyons Congress to ensure that the Comintern line was accepted.<sup>2</sup>

### The Red Two Years 1919-20

The revolutionary ideas of Marx, and later Lenin, on class and class consciousness found their most coherent support, and continuation in the tradition of the Italian Left Communists around Bordiga. At the time of the factory occupations in Turin in 1919-20, Bordiga had already argued against the *Ordinovisti* led by Gramsci, that the economic struggle of the class, even if it was for control of the means of production, was quite compatible with the bourgeois order,

and did not generate its own independent socialist consciousness. Further Bordiga restated the Marxist axiom, that the dominant ideas are those of the ruling class, and that under conditions of capitalist exploitation, a majority of the proletariat can not become conscious communists. Only by forming a political party, of necessity grouping a minority of the class, could the proletariat begin to assert its ideological independence of the ruling-class. The party, by distilling and restoring to the class its own historical experience, and the

lessons thereof, could bring about the transformation of sparks of consciousness of individual workers into the revolutionary class consciousness necessary for overthrowing the capitalist order. And in the revolutionary process, led by the party, ever greater layers of the proletariat would in a practical movement, raise their consciousness to that of its *avant-garde*. The results of the great class battles of the Italian workers of 1919-20 confirmed this analysis. Whilst Gramsci was lauding the factory occupations of the *Biennio Rosso* (Red Two Years) as “soviets”, Bordiga pointed out that these were more like factory committees rather than soviets or class wide organs of workers' rule. Bordiga also argued against the idea that the factory committees could manage production and make capitalism irrelevant **without** challenging the capitalist political system.

*We would not like the working masses to get the idea that all they need to do to take over the factories and get rid of the capitalists is set up councils... These futile and continual outbursts which are daily exhausting the masses must be merged together, organized into one great comprehensive effort which aims directly at the heart of the enemy bourgeoisie.*

*This function can and must only be exercised by the communist party which, at the present moment, has not, and must not have, any other task than that of directing its activity to making the working masses more conscious of the necessity for this political step. This is the only direct way they will gain possession of the factory, while to proceed other wise will be to struggle in vain.*

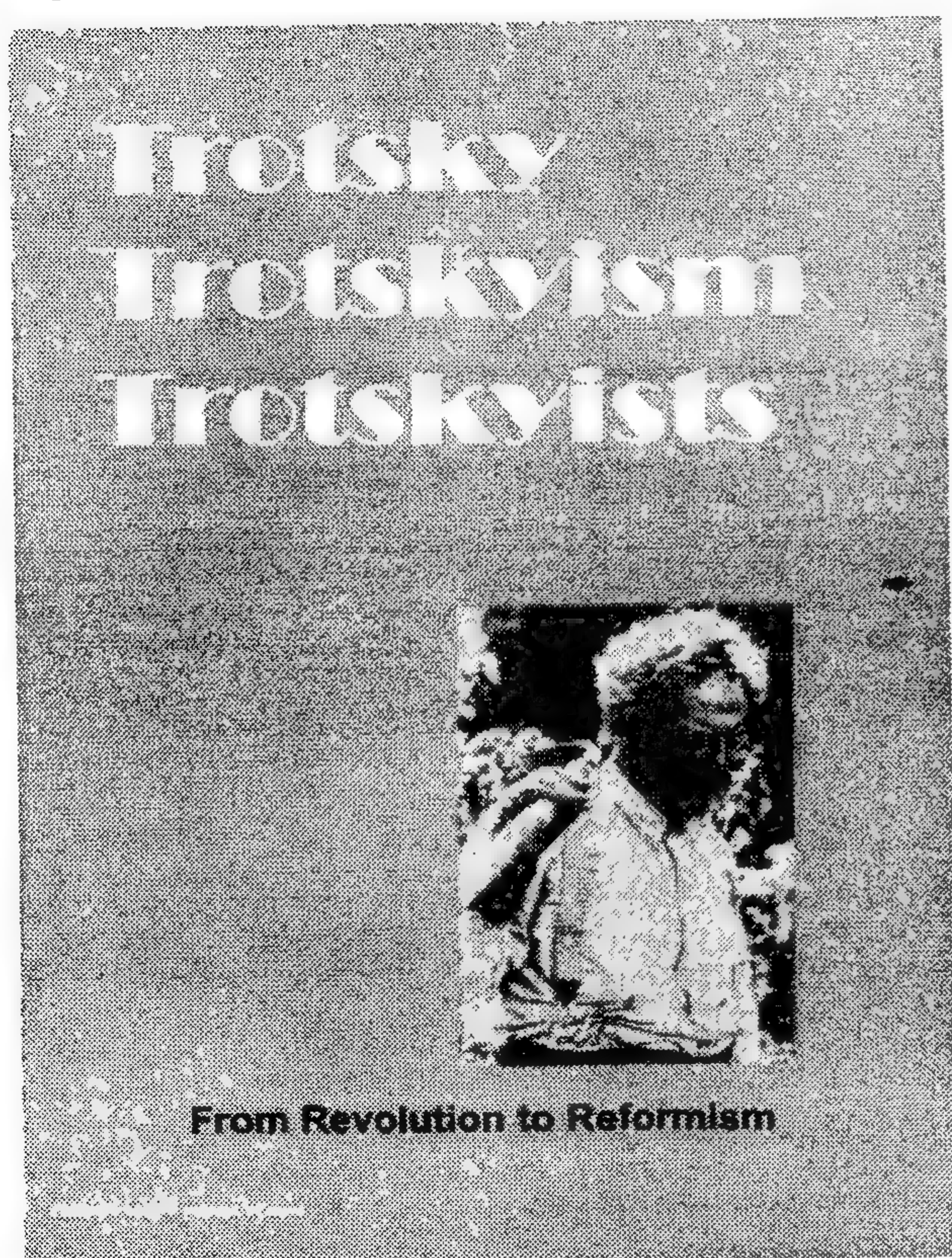
Bordiga in *Il Soviet* 22.2.1920, reprinted in *Antonio Gramsci: Selected Political Writings 1910-20* ed. Quintin Hoare, p.235

These turned out to be prophetic words when the massive spontaneous struggles of the class failed to challenge the state, failed to generate socialist consciousness, and instead, trapped in the ideology of self-management, were led to defeat.

Bordiga now criticised the idea of consciousness emerging from “forms” of economic struggle

*A totally wrong interpretation of Marxist determinism and a limited*

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*conception of the part played by consciousness and will in the formation, under the original influence of economic factors, of the revolutionary forces, lead a great many people to look for a mechanical system of organisation which by itself would be enough to make the masses move towards revolution with the maximum revolutionary efficiency.*

Party and Class. 1921

The daily class struggle does not produce communist understanding automatically in the whole class; it does not even produce it automatically in any single proletarian. Even those proletarians, such as Weitling and Dietzgen, who contributed to socialist thinking, did so by scientific study, and the restoration of this to the class by political action. The conditions of proletarian existence enable only a minority to be receptive to such doctrines under capitalist exploitation. But this enables the formation of the party, and the transformation of the workers experience into consciousness and will.

*The class originates from an immediate homogeneity of economic interests which appear as the primary motive force of the tendency to destroy and go beyond the present mode of production. But in order to assume this task, the class must have its own thought, its own critical method, its own will bent on precise*

*ends by research and criticism, and its own organisation of struggle channelling and utilising with the utmost efficiency its collective efforts and sacrifices. All this constitutes the Party.*

Party and Class

### The Errors of Bordigism

It would be wrong however, to deny that there were any malformations in Bordiga's view of class consciousness, and in the years of counter-revolution, these errors hardened into political positions which were a step backwards. Bordiga was quite right to insist that one cannot speak of communist consciousness in the proletariat, or of the independence of the class until,

*we can recognise a social tendency, or a movement oriented towards a given end, then we can recognise the existence of a class in the true sense of the word. But then the party exists in a material if not yet in a formal way."*

Party and Class

But it is quite wrong to move from this point, and to assert that if the class party does not exist, then the class itself does not exist. "One cannot even speak of a class unless a minority of this class tending to organise itself into a political party has come into existence". From this it is but a logical short step to seeing the class in itself, struggling economically at the level of class identity, as being simply a class for

capital, and its experience as worthless. In the conception of Bordiga's heirs, the International Communist Party (ICP), the programme becomes a set of commandments, divorced from class experience, or at best merely confirmed by it, rather than, as in the living Marxist conception, being enriched by it.

*Marxist theory is one invariant bloc from its origins to its final victory: The only thing it expects from history is to find itself more and more strictly applied, and consequently, more and more deeply engraved with its invariant features.*

Communist Programme 2. p7

Apart from sounding like a piece of Hegelian teleology, this insistence on invariance ignores not only the theoretical advances and changes Marx made in his views in the course of his reflection on the development of the class struggle, but also the contribution of the class' action towards the enriching of the communist programme. Marx's position on the state, from that of taking it over, to that of smashing it, came from the experience of the Paris Commune of 1871. It is quite true to say that, though it was the Parisian workers who "stormed heaven" in that year, it was Marx on the basis of the experience of the Commune, who developed the theory of the proletarian dictatorship, and not the Paris workers either individually or collectively. Nevertheless, it was the concrete class experience which furnished the basis for the development of Marxist theory --- in this case as in others.

### The Real Communist Position on the Party

However, the misformulations in Bordiga's positions, which later flourished as caricatures in the various Bordigist International Communist Parties, have not remained unchallenged in the tradition of the Italian left. The recognition that it is necessary for the working class to struggle and raise its consciousness to a certain level, before the class party can then develop this into class consciousness, has always been defended by our comrades of the Internationalist Communist Party (PCInt.). The Internationalist Communist Party was founded in clandestinity in 1943 and soon attracted most of those that had survived the attacks of Stalinism, Nazism and Fascism, either within or

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without Italy. Bordiga, who had said nothing political since 1927, at first counseled his supporters to enter the Stalinist PCI of Togliatti, but eventually the success of the new party attracted his support. However, his ideas had by now fossilized and though there were many issues over which he split the party in 1951, the issue of the role of the Party was one of the most significant. Whilst the "Bordigists" (as they are known henceforth) argued that

*The proletarian state can only be animated by a single party ... the communist party will rule alone and will never give up power without a physical struggle...*

Proletarian Dictatorship and Class Party (from *Battaglia Comunista* 3, 4 and 5, 1951 – translated in *Communist Program* (March 1976), p.49

the Internationalist Communist Party argued in their Political Platform of 1952 that,

*There is no possibility of working class emancipation, nor of the construction of a new social order, if this does not emerge from the class struggle...At no time and for no reason does the proletariat abandon its combative role. It does not delegate to others its historical mission, and it does not give power away to anyone, not even to its political party.*" (p.5-6).

Bordigism seems ossified around the *Theses* of the Comintern in 1920 which were already, as we have seen affected by the transformation of the Russian Party into a new ruling class. Indeed Bordigism's "invariant" communist programme seems to suffer from a selective kind of invariance. The idea that the workers need a one party state is added to their dogma but the possibility that soviets offer in creating a semi-state which will wither away once the bourgeoisie are suppressed is a dangerous novelty! However criticising Bordigist errors is relatively easy. It is more difficult to go on from this and elaborate a coherent Marxist position on class consciousness. Since we feel our comrades have done so, we can do no better than allow them to speak for themselves,

*Once again we return to the essential point of communist doctrine according to which there is a great difference between "class instinct" and "class consciousness". The first is born and develops within the*

*workers struggles as a patrimony of the workers themselves; it comes from the antagonism of material interests and is nourished by the growing economic, social and political conditions brought about by this antagonism. The second consciousness is born out of the scientific examination of class contradictions, it grows with the growth of knowledge of these contradictions; it lives and is nourished by the examination and elaboration of facts coming from the historic experiences of the class...*

*Are the ruling ideas the ruling ideas of the ruling class or not? Is it true that those who possess the material means of production also possess the intellectual means of production and that on the other hand the proletariat is an exploited and thus ideologically dominated class? If it is true, then its also true that "it was in the minds of individual members of this stratum that modern socialism originated; it was they who communicated it to the more intellectually developed proletarians, who in their turn, introduced it into the class struggle where conditions allowed that to be done" (Kautsky, and Lenin, again).*

*Here resides the false problem: does socialist consciousness come from the class or from those who "know how to examine the laws of history"? It's a false problem, "because it is not posed in a dialectical manner, i.e., in a way that really makes it possible to grasp social and historical reality. Its solution in fact, resides outside the terms of the alternative and encompasses both. Socialist consciousness is scientific reflection on the experiences of the class and on the problems it poses, developed by those who have the means to undertake this reflection, and who identify themselves politically with the class.*

*Prometeo, 1st. Semester 1978*

This discussion takes us back to the issues posed in the first two parts of this series. The apparent contradiction between Marx's ideas that the dominant ideas are everywhere those of the ruling class" yet "the emancipation of the

working class must be the task of the workers themselves" is resolved only via a recognition that proletarian organisation needs both a political instrument which unites its collective, anti-capitalist, consciousness and class-wide bodies which, when they take on the communist programme, are the means of transformation of society. The very existence of these organisations is not a guarantee of proletarian victory but without them we cannot even talk of a real possibility of success.

Jock

## Notes

1 See our pamphlet *1917*. A new expanded version is currently in preparation but some copies of the old pamphlet are still available at £3 (including postage).

2 Local Party secretaries were paid by the Party. Gramsci informed them that they had to vote for the Comintern theses or lose their livelihoods. This is one reason why the Italian Left has always considered a party of professional revolutionaries which takes workers from their comrades to be a dangerous development. See the introduction to our pamphlet *Platform of the Committee of Intesa 1925* for more details (£3 including postage).

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We are publishing here the second part of a text translated from Prometeo 6, VI<sup>th</sup> series, December 2002. The first part was published in Revolutionary Perspectives 28. The text discusses the effects of changes in the structure of capitalism on the structure of the working class and the political consequences of these effects. In particular, it reviews the

predictions of a text written ten years ago, the translation of which appeared in Internationalist Communist Review no. 12 (the central organ of the International Bureau for the Revolutionary Party, now called Internationalist Communist), under the title "Where is the working class?"

# On Class Composition and Recomposition in the Globalisation of Capital

## Part Two Globalisation and the working class

In his *Theories of Surplus Value*, Marx made use of the concept of unequal exchange to explain the exploitation of backward countries in international commerce. The advantage for the more advanced countries which is derived from their dominant position in the market consists in the appropriation of a portion of the surplus value generated in the less developed countries. The extra-profit obtained in this way has the effect of readjusting the rate of profit: thus, this grows despite a fall in prices. Through the means of world commerce, several working days in an underdeveloped country are exchanged for a single working day in a developed country. Thus, the function of the external trade of the metropolises does not consist in the realisation of surplus value which is not realisable under the form of use value in the mother country (according to Rosa Luxemburg's thesis), but lies in the fact that the richer countries extract more value than can be extracted internally. This explains, in the final analysis, the struggle for the markets of consumption in the backward countries.

### The political economy of underdevelopment

For a long time it has been thought that the relative weight of the working class in the social structure and its contribution to accumulation is less in the underdeveloped than in the developed countries. This is not at all the case, and this idea hides the

functional connections of the world capitalist economy, which is a system of production and reproduction and not a mere juxtaposition of national economies. So it is impossible to be clear about the problem of the participation of the working class of the backward countries in the formation and reproduction of capital on a world scale if the mechanisms propelling the expansion of monopoly capitalism are ignored. Outside of an analysis of the concrete position occupied by the working class of the underdeveloped regions within the context of planetary capitalism and the latter's means for retarding or attenuating the fall in the rate of profit, it is impossible to understand this class's specific role in the reproduction process of capital.

### The fundamental characteristic of the working class in backward regions

One of the attributes of underdeveloped social formations is that labour-power is very often paid below its value, not just for a limited time and by way of exception, but habitually, as the rule. What are the characteristics which define the labour process in conditions of super-exploitation? Firstly, low wages, very long working hours<sup>1</sup> and an intensity of work in these hours which is significantly higher than the same workers in the advanced countries. Secondly, part of the reproduction and maintenance costs of this labour force often relies on pre- or non-capitalist relations of production, such as the so-called "informal economy" in the cities (or *favelas*) and especially on

subsidiary forms of the rural sector, in which the "domestic" women's work plays a fundamental role<sup>2</sup>. It is useful to focus attention on the effects of the unequal division of working hours between the sexes (and ages): in backward countries women work, on average, 25% longer than men, for pay which is 40% lower, and two thirds of them work in agriculture. This means that a portion of the considerable work of women goes to guarantee the reproduction of the material conditions of reproduction of labour power, without capital or the state — through indirect or deferred wages of assistance or social security -- needing to establish or develop policies of redistribution or support. The fundamental repercussions of this (like the exploitation of children, which is a gigantic phenomenon) for the lowering of the cost of labour power in backward countries cannot be stressed enough. Thirdly, the workers are often the victims of extreme extra-economic coercion — assassins in the pay of the latifundists, with concentrations of workers closely controlled or subject to repressive legislation — which intensifies the appropriation of surplus value. It is enough to scan the International Labor Organisation's documents to realise how widespread anti-strike legislation is, and that it is very severe in several cases; it is not for nothing that, in the "kingdoms" of delocalisation strikes and every other form of workers' protest are forbidden and heavily repressed. At the same, in the advanced countries, sheaves of legislation (approved by the unions) on strikes in fact makes them largely innocuous.



One needs to be acutely conscious that these are not secondary aspects of the process of work, but are characteristics which profoundly condition the profitability of world capital today. Moreover, plantation workers and some migrants have access to means of subsistence outside the capitalist sector. More specifically, the native system of peasant production, the existence of vast zones of rural colonisation and informal employment in the cities have become a reserve for the reproduction of the labour force at a low cost<sup>3</sup>. In the rural and urban zones the family in its wider sense — by looking after children, the old, the infirm and workers in periods of unemployment, by providing instruction for the youth, which the poor have to pay for — relieves the capitalist sector and the state from part of the costs of executing these functions. In this way, the relation between wages and the cost of reproduction of labour power changes: workers can be paid below its value. In its turn, the surplus population offers capital a wonderful opportunity for the substitution of a labour force which is brutally exploited and rapidly exhausted. The domestic labour and additional activities of women in rural areas and their employment in informal work form an important pillar in this support to capital. This organisation presupposes a certain level of production in the rural zones and in the *favelas*. It must produce that which serves as an indispensable element of wages, so that the workers' needs for subsistence can be satisfied.

Well, what then is the social basis of labour-power at low cost in underdeveloped economies? In part, it is the administrative control of wage levels which results in a very compressed structure. In part, it is the over-abundance of the supply of labour power. In part, it is extra-economic coercion. In part, it is the possibility of realising a proportion of the reproduction of labour power in non-capitalist conditions.<sup>4</sup> All this interacts with the specific mode of the production and reproduction of labour power, and is directly linked to it. The investment of capital and financial revenues are given great advantages by the fact that low-cost African, Latin-American and Asian manpower reduces the cost of investment and local infrastructure (like some types of food stemming from highly developed agricultural sectors, where only low-

cost manpower is employed). In the so-called South-East Asian tigers, for example, the workers lack the most elementary forms of social security and the law prohibits them from advancing collective demands to the employers. Moreover, saving on indirect wages and social spending allows the state to offer guarantees and aid to industrial and banking monopoly capital — in some Latin-American countries, the bankers and the large landowners are exempt from taxes or are only "hit" by very low ones. Foreign investment is undertaken by the largest and most strategically placed units in the metropolitan economies, and is dominated by them. The profitability and stimulating effects of these investments contributes in a fundamental manner to the reproduction of internationalised capital. The monopolistic cornering of the oil sector, of communications, of the plantations, of the wholesale trade and of the retail chains has been the launch pad for the expansion of transnational capital in recent decades, and the ability of these investments to reduce general costs throughout the world facilitates its competitive expansion into other regions.

### **Characteristics of economic development in the backward regions**

The achievement of high levels of savings in the cost of labour which presupposes the intensive use of human effort, the reduction of the costs of technological innovation to practically zero (the development of the industries of strategic technology is reserved for the metropolitan centres) and the use of already existing technology, simply copied, the tribute of tax exemptions enjoyed by national and international sectors of monopoly capital and the elimination of commercial barriers, constitute some of the massive attractions for capital in backward regions. Where these economies have achieved significant expansion (as in some Asian and Latin-American countries), the development has been based on massive investments of capital and manpower, and not on a greater productivity obtained thanks to technical improvements or thanks to organisation of labour. The growth has been obtained through heavy investment of "migratory" capital with a provenance in the metropolitan centres (investments in the so-called emerging economies) and from internal

original accumulation — realised preponderantly from agriculture and the extraction of primary materials — despite a large movement of manpower from the country to the factories. When these investments are exhausted and the relationship between capital and production rises towards the levels of the advanced countries, the effect of shrinking revenues predominates and growth falls off brusquely.

Economists divide the growth in GNP into the part attributable to growing investments in manpower and capital and that destined for a use more productive of these investments and call the latter Total Factor Productivity — TFP. The American bourgeois economist Alwyn Young has demonstrated that the growth in the TFP is very low, or, often, close to zero, in the peripheral countries. For this reason, the expansion registered in some regions is unsustainable, or sustainable only to the extent that the "development" is subordinate to the metropolitan circulation on which depends the international reproduction of capital. Thus, for example, while in the metropolitan zones higher wages or rising exchange rates spur capital to put itself into more productive (with a higher technical composition) activities or ones of greater value, in the backward countries there is a dependence on low-cost manpower and a greater availability of primary materials. To the extent that the greater costs of investment and labour-power provoke important flows of metropolitan capital towards other regions with lower costs, the transfer of industries with intermediate technology from the advanced countries allows the backward countries to expand their economies. At the same time, thanks to the fact that the latter sell goods made by the intensive use of lower-cost labour power, the more advanced countries scale new heights of productivity and technology. Under such conditions, the relations between development and underdevelopment, and of unequal exchange, not only reproduce themselves into the indefinite future, but also, in general terms, tend to become worse.

The fact that, in some cases and for certain periods, backward countries register growth rates in productivity greater than those of the advanced countries is not, therefore, at all surprising, if the cause of the expansion is explained through the advantages



that they enjoy in the incorporation into conditions of relative backwardness of technologies to whose development they have not contributed.<sup>5</sup> Usually, what appeared to be an increase caused by augmenting productivity, really constituted an investment in high technology capital goods imported from the metropolises. In fact, a good part of the technological "progress" and of the improvement in the organisation of production is imported and is, concretely, a technologically advanced dose of capital acquired in the metropolises. Obviously, the backward countries with the greatest levels of investment, will register, in relative (and not absolute) terms — and just for a limited period — a higher growth in productivity; nevertheless, this growth directly depends on the dynamic imposed by capital in the central zones and is financed in good part by it. Although there is no doubt that in some cases, certain countries and sub-regions of the backward periphery may grow at a faster rhythm than those which find themselves at a higher stage of development — as they can benefit from technology stemming from the more developed countries — to the extent that these backward areas approach the levels of capital per worker and of qualified labour-power of the advanced countries, this growth tends to decelerate. This process is already evident in Japan, and, in a certain fashion, also in Hong Kong. At a certain point, the aforementioned economies have to become as capable as the central countries of achieving expanded reproduction through their own means, in order to realise competitive innovations which put them into a position to sustain growth.

Nevertheless, the fundamental fact cannot be evaded: once superdeveloped imperialist metropolises have been formed in which there is concentrated finance capital and technology — equipped with mega-states able to plan and regulate their own internal economic processes (insofar as capitalism can regulate itself...) — each and every local or regional economy in the periphery has to be able to compete in terms of productivity and must have recourse to massive investments in technological innovation, infrastructure, education and health. Such possibilities are far beyond the reach of the small, backward and weak states scattered throughout Asia, Africa and Latin America, whose economic structure

has been from the beginning integrated into the reproduction circuit of central capital and is determined by its cycles, being dominated by the logic of unequal exchange (the transfer of a part of the additional surplus value into world commerce) and polar development. Structurally, the degree of growth and the behaviour of the sectors which stimulate expansion move in strict harmony with the forces of the developed economies. Their growth curves therefore depend on the behaviour of metropolitan demand and on the circulation of the metropolitan investment in the periphery, and this, in its turn, depends on the growth rate of metropolitan industrial production. If we bear in mind that, in the capitalist economy, manpower and capital are essentially assigned in response to the direction of prices, which is the premise on which liberal theory claims to base its theses relating to the tendency for the equalisation of development, peripheral economies cannot realise the expanded reproduction of capital with their own means within present world competitive conditions: they lack the technological and financial capacity which would allow them to develop and elevate in an autonomous and profitable way their own heavy and mechanical industries. Moreover: a sustained development of these economies implies growing costs in terms of both ever more qualified labour — because of the shortage of this on the market — and of the supply of capital, and so they face the exhaustion of the incentives for investment for international capital or they relatively rapidly arrive at the limits of profitable exploitation.<sup>6</sup> In this sense, we stress, only the great powers or groups of states can withstand world competition with relative success and achieve levels of relative growth.

On the other hand, the exporting sectors in the underdeveloped economies are structurally very fragile. Their susceptibility to the revaluation of their own currency or of the international currencies (especially the dollar), to which they are linked, is very great. In times when their currency is weak, exports are greatly elevated, but as soon as the slightest tendency towards a revaluation appears, the effect is immediately reversed. As is well-known, a weak currency guarantees these economies investments and low-cost labour power, which sustain the competitiveness of their exports in relation to the

economies of the advanced countries. This is why these countries place so much importance on their very drastic monetary and fiscal policies, which inhibit internal demand, preventing wage increases and avoiding deficits in current accounts (normally, in fact, disturbances in the balance of payments reflect a fall in productivity and competitiveness in the country in question). An increase in real rates of exchange can be the result of the link established with a temporarily revalued external currency (as is the case for the "dollarised" economies) which does not correspond to real productivity, or with the inflation rate (which occur, for example, when the money supply is greater than that necessary to cover economic movements), or with both, in the circumstances where it is linked to both an external currency and the inflation rate, where the latter is greater than that in the country which prints the external currency.

### Some conclusions

It is in the periphery and semi-periphery where the most terrifying conditions of exploitation are loaded onto workers' backs — and onto immigrants<sup>7</sup> — but, as we have always said and as is also recognised by the largest bourgeois institutions,<sup>8</sup> "globalisation" tends to put the workers of the entire world into competition amongst themselves (obviously, as their conditions worsen), in both highly qualified and other sectors. "To build a homogeneous space for the valorising" of the world's labour-power,<sup>9</sup> this is the imperative for the world bourgeoisie, starting, of course, with the strongest.

In a few years, another ten countries will enter the European Union, most of whom come from the ex-"Soviet" bloc; although rigid limitations are to be placed on the circulation of people (that is, on labour-power), the effects on wages, jobs and conditions of work will, without a doubt, make themselves felt, taking into account that today, the mean wages in the countries of Central and Eastern Europe are 14% of those in the EU, for workers with the same level of qualifications.<sup>10</sup>

*The truth is this: during the period of England's industrial monopoly the English working class have, to a certain extent, shared in the benefits of the monopoly. These benefits were very unequally parcelled out amongst them; the privileged minority pocketed most, but even the great*



mass had, at least, a temporary share now and then. And that is the reason why, since the dying-out of Owenism, there has been no Socialism in England. With the breakdown of that monopoly, the English working class will lose that privileged position; it will find itself generally — the privileged and leading minority not excepted — on a level with its fellow-workers abroad. And that is the reason why there will be Socialism again in England.<sup>11</sup>

With these words, Engels saluted the transformations undergone by the English working class at the end of the 19<sup>th</sup> century, transformations which, however, were only the premise for a generalised revival of the independent class struggle of the proletariat. Historical experience has shown that they were not sufficient, by themselves, to reawaken the proletariat in a revolutionary sense. Even today, as in the past, it is necessary to take account of other factors, just as important, which have, over the course of decades been laid down (and have not ceased to be laid down) in the conscience of the proletariat so deeply that, even if they find themselves in the “immaterial” skies of ideology, they must be considered as material as the state of oppression, insecurity, susceptibility to blackmail and general disorientation towards which the world working class is headed, just as material as the crumbs from the bourgeois banquet that a part of the proletariat still succeeds in collecting.

**Celso Beltrami**  
**Katarisum**

## Notes

1 Without considering the unequal distribution of working hours between men and women and abstracting from the fact that domestic work generally falls to the lot of women, a UN study made in 1992 calculated the mean hours of work for workers in backward countries (in Asia, Africa, Eastern Europe and Latin America) as being 60 hours per week (over a six-day week). Another study, which referred to the service sector in South American countries, put the working day at 12-14 hours (see *Newsweek*, June 1992). As we have already had cause to say (see *Prometeo* 4, VI<sup>th</sup> series, *Appunti su globalizzazione, classe operaia e azione sindacale*), conditions have not improved, but deteriorated.

2 In backward countries, women procure at least 50% of the population's food, and in Africa this contribution reaches 80%. “And, to the extent that men abandon the fields to look for work in the cities, women take on this responsibility for

between a third and a half of all the families in developing countries” *Ibid.*

3 It is this which determines, in the analysis of the periphery's social formations, a more complex relation of workers to the other social sectors in the population.

4 This also explains the ambiguity in the social situation of certain sectors of the peasant population and their equally ambiguous political role: when they rebel against capitalist development, their demands tend to project the interests of a ghostly world rooted in the past, which causes them to be channelled by the reactionary forces of protectionism and state capitalism, and yokes the workers who develop inside this atmosphere to the cart of petit bourgeois reformism. Their anti-capitalism consists above all of resistance to the *onward march* of capitalism [rather than to capitalism *per se*].

5 The attitude of certain parts of the world in investing in the most efficacious way in other backward countries and in importing technologies from the rest of the world has been, in itself, a reason for the rapid growth registered in those parts. For example, at the end of the '90's, investment in Eastern Asia reached an average of 35% of the GNP, almost twice that in Latin America (*The Economist*, April 1997). The general characteristics of the Asian economies were: a high level of savings, reduced taxes and state spending, flexible labour markets, a basic technical education for the workforce and commercial openness (including for external technology). Obviously, the flexibility and the technical education permitted the manpower to change in response to the movements of capital, providing it with the qualities it required.

6 Growth obtained solely by copying technology is extremely limited, as the case of South-East Asia shows. Economies like the South Korean one grind to a halt or experience grave crises when the quantity of capital per worker is still considerably lower than its equivalent in advanced industrial economies. Although many analysts believe it to be almost a banality that, to the extent that these economies enter into the possession of better technology, their production will be augmented, it has been clear that profitability can — or rather must — fall to the extent that the ratio  $C/C_v$  becomes larger. Towards the end of the '90's, the average Korean worker operated with only two fifths of the capital at his disposition that their US colleagues had, but, nevertheless, the growth rates in this type of economy were already experiencing spectacular reverses. Even when the growth of this type of economy can continue to be more rapid than that of the advanced economies for more than a decade — thanks to the fact that they hadn't yet collided with the limits which impose on them the necessity for innovation — the mass of surplus value which enables expanded reproduction always becomes smaller with respect to the capital to be valorised, even when the level of production continually increases.

7 See “*Il fenomeno migratorio nell'era della mondializzazione del capitale*”, (The phenomenon of migration in the era of the globalisation of capital) *Prometeo* no. 17, V series, 1999.

8 Report of the World Bank cited in L. Gallino, *Globalizzazione e disuguaglianze* (Globalisation and inequality), p44.

9 M. Husson, “*La mondialisation capitaliste contre l'emploi*” (Capitalist globalisation against employment), supplement to *Le Monde diplomatique*, September 2000, p1. Although we are repeating ourselves, we emphasise how the most perceptive reformists can also photograph reality, although they cannot supply the key for its transformation.

10 M. Dinucci, *scheda di aggiornamento del sistema globale, 2002* (Briefing on the global system, 2002), <http://www.zanichelli.it/scuola/geografia/dinucci-nov02a.htm>.

11 F. Engels, *The Condition of the Working Class in England* (Preface of 1892).

## The CWO's Basic Positions

1. We aim to become part of the future world working class party which will guide the class struggle towards the establishment of a stateless, classless, moneyless society without exploitation, national frontiers or standing armies and in which the free development of each is the condition for the free development of all (Marx): Communism.

2. Such a society will need a revolutionary state for its introduction. This state will be run by workers' councils, consisting of instantly recallable delegates from every section of the working class. Their rule is called the dictatorship of the proletariat because it cannot exist without the forcible overthrow and keeping down of the capitalist class worldwide.

3. The first stage in this is the political organisation of class-conscious workers and their eventual union into an international political party for the promotion of world revolution.

4. The Russian October Revolution of 1917 remains a brilliant inspiration for us. It showed that workers could overthrow the capitalist class. Only the isolation and decimation of the Russian working class destroyed their revolutionary vision of 1917. What was set up in Russia in the 1920's and after was not communism but centrally planned state capitalism. There have as yet been no communist societies anywhere in the world.

5. The International Bureau for the Revolutionary Party was founded by the heirs of the Italian Left who tried to fight the political degeneration of the Russian Revolution and the Comintern in the 1920's. We are continuing the task which the Russian Revolution promised but failed to achieve — the freeing of the workers of the world and the establishment of communism. Join us!



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